

IMPROVISATION IN INVESTOR AND MEDIA RELATIONS IN STRATEGIC CHANGE IN THE CASE OF FORTUM – UNIPER

Maintaining legitimacy through emergent risk communication in M&A
context

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Abstract**Purpose**

This case study takes a deep dive into the transformation of the professional communicational landscape during a strategic change of an international listed company. More specifically, the focus is on the risk communication practices of the case company, a Finnish utility company Fortum, in its legitimizing efforts to successfully acquire a major stake in a German utility company Uniper after the takeover attempt is strongly questioned in the public, stirring uncertainty and causing diverse subjective perceptions of risk to emerge among the stakeholder groups. The study investigates how the key actors engage in improvised risk communication activities in an effort to advocate the legitimacy of the takeover attempt, and how issues concerning legitimacy are (re)framed among different stakeholder groups by competing actors.

Design and methodology

The study offers a critical discourse analysis of a merger process of two international utility companies headquartered within the European Union. The qualitative empirical material is composed of the communications materials and media texts of the two companies and chosen few miscellaneous texts.

Findings

This research further elaborates the dynamics of legitimacy-building through means of risk communication in a merger of two international public companies, when the acquiree openly considers the takeover hostile. It demonstrates how the ability to improvise in risk communication in consideration of the organization's strategy, social context and contesting frames is an increasingly essential trait to legitimize such dramatic actions characterized by uncertainty and risks.

Originality and value

The study complements existing communication management literature, presenting risk communication more clearly as a branch under the umbrella of strategic communication, and an essential aspect of strategic management of an organization. In more general terms, this case study qualifies as an in-depth empirical critical analysis of a multifaceted merger process as part of the ongoing industry transformation and consolidation of the European power generation field towards a cleaner world.

Keywords Strategic communication, risk communication, investor relations, media relations, discursive analysis, legitimation, mergers & acquisitions, framing, voices, emergent agent, marginalized audiences

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Tavoite

Tämä tapaustutkimus pureutuu ammatillisen viestinnän muuttuvaan maisemaan kansainvälisen listatun yhtiön strategisen muutoksen kautta. Tarkennettuna, katse on käännetty case-yrityksen, suomalaisen energiayhtiö Fortumin, harjoittamaan riskiviestintään tämän yrittäessä legitimoida yrityskauppa-aikomustaan. Yrityskaupan kohteena on Uniper, saksalainen energiayhtiö. Kauppa-aikomus kyseenalaistetaan voimakkaasti julkisuudessa, mikä aiheuttaa epävarmuutta sidosryhmissä ja nostattaa esiin erilaisia käsityksiä riskistä. Tämä tutkimus tarkastelee, kuinka avainhenkilöt lähtevät improvisoimaan riskiviestinnässä puolustaakseen yrityskauppa-aikkeen legitimitettä, ja kuinka kilpailevat tahot freimaavat tai uudelleenfreimaavat vallitsevia legitimitettejä koskevia käsityksiä eri sidosryhmien keskuudessa.

Rakenne ja metodit

Tämä tutkimus tarjoaa kriittisen diskurssianalyysin kahden Euroopan Unionin sisällä pääkonttoriaan pitävän kansainvälisen sähköyhtiön yrityskauppaprosessista. Kvalitatiivinen empiirinen tutkimusaineisto koostuu näiden kahden yhtiön viestintämateriaaleista sekä valikoiduista muista teksteistä.

Tulokset

Tämä tapaustutkimus selventää legitimitetin muodostamisen dynamiikkaa riskiviestinnän keinoin tapauksessa, jossa yrityskaupan kohde, kansainvälinen listattu yhtiö syyttää julkisesti yrityskauppa-aietta vihamieliseksi. Tutkimus osoittaa, kuinka kyky improvisoida riskiviestinnässä yrityksen strategia, sosiaalinen konteksti ja kilpailevat kehukset huomioiden on yhä olennaisempi ominaisuus sellaisten dramaattisten toimintojen legitimoimiseksi, joita varjostaa epävarmuus ja riskit.

Originaalisuus ja arvo

Tutkimus täydentää olemassa olevaa viestinnän johtamisen kirjallisuutta, esittäen riskiviestinnän yhä selkeämmin osana strategista viestintää, ja oleellisena osana organisaation strategista johtamista. Yleisemmällä tasolla, tämä tapaustutkimus on pätevä empiirinen kriittinen analyysi monitahoisesta yrityskauppaprosessista osana Euroopassa käynnissä olevaa energiateollisuuden muutosta ja yhtenäistymistä matkalla kohti puhtaampaa maailmaa.

Avainsanat strateginen viestintä, riskiviestintä, sijoittajasuhteet, mediasuhteet, diskurssianalyysi, legitimaatio, yrityskauppa, kehystäminen, äänet, emergentti toimija, marginalisoidut yleisöt

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List of Abbreviations

Abbreviation	Explanation
AGM	Annual General Meeting
CFO	Chief Financial Officer
CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
EU	European Union
FCCA	Finnish Competition and Consumer Authority
FY	Fiscal Year
IR	Investor Relations
M&A	Mergers & Acquisitions
NIRI	National Investor Relations Institute
PR	Public Relations
PRSA	Public Relations Society of America
SER	Stock Exchange Release
UN	United Nations

Uniper SE: We have not invited Fortum to make a takeover offer

Management of Uniper SE (Uniper, 2017)

1 Introduction

Common to most, if not all, organizations is that they possess a strategy of some sort. The strategy can exist in written form and be publicly accessible to all external audiences – or, on the other end of the spectrum, it can be a mere thought of the direction of the business in the mind of the owner of the petit shop, available only to those who work for the organization. Perhaps not surprisingly, it can also vary greatly how different entities view strategy. Often, strategy is considered as a deliberate plan that precedes any action and has the ultimate goal of helping the organization successfully manage against its competitors (e.g. Porter 1979; 2008). In other words, a plan is made and subsequently followed by actions in accordance.

However, another considerable line of strategy research strongly emphasizes the emergent nature of strategy making, underlining that instead of only deliberate plans, the strategy should also include a relatively broad vision that allows the organization to better adapt to the unforeseeable yet imminent changes in its operational environment by reacting to the changes in accordance to the determined vision (e.g. Mintzberg, 1978; Mintzberg & Waters, 1985). Indeed, if a strategy is crafted based on facts that hold true about the organization and its environment at that time, it is reasonable to assume that the most effective strategy is the one that takes those facts into account and adapts to any changes that might happen to them.

Furthermore, it has been argued that there is even more to consider in strategy making: according to Panayiotou, Putnam and Kassinis (2017), organizational change takes form not only from deliberate plans and intentional actions by the organization, but also from the constantly ongoing process that is given shape by tensions arising from the implementation of the deliberate plans, and the responses to such tensions, leading to a need for further change of the organization which, again, causes new tensions... Certainly, strategy making does appear to have grown in complexity since the days before the internet and smartphones.

This modern era of rapid technological advance, introducing for example social media to the world as a new communication channel, has without a doubt allowed faster communication between separate parties and made a continuous flow of information possible, which, quite frankly, seems to require more and more of the organizations to keep its external stakeholders satisfied (e.g. Eriksson, 2015; González-Herrero & Smith, 2008).

Meeting with the rising expectations calls for additional tools, as well. One of such tools is *framing*, a method commonly used by communications professionals in sensemaking activities when, for instance, it is of utmost importance to the organization to gain the support of one or more of its stakeholder groups, should the actions or choices of the organization have the need for increased legitimacy amongst the target audiences (Benford, 1993). Interestingly from the point of view of this study, the choice of frames by the organization seems to greatly depend on such structural features as the level of exposure to external stakeholders through news media, or having a majority-owner, such as the government, leading to considerable dependence on the said shareholder (Fiss & Zajac, 2006).

In addition to framing as one of the tools in the professional communicator's toolbox, different communicative roles can also be used by the organization to better ensure the effectiveness of the messages. As a strategic management function, risk communication can adopt an *informative*, *educational* or *dialogic* role to get the message across in the intended way, all three roles ultimately used to meet the strategic ends of the organization (Raupp, 2015). The choice between informative, educational and dialogic approaches (Raupp, 2015) – or a combination of two or all of them – in the organization's risk communication essentially depends on a plethora of factors such as content, target audience and intended results of the communication. Especially in respect of this study, risk communication is often involved in – though understandably not limited to – cases where strategic change takes place and the stakeholders of the organization require further assurance that the chosen course of actions is indeed the right way to go. Indeed, one of the strategic dimensions of risk communication is its legitimizing function, which calls for a constant dialogue between the organization and the potentially affected groups in order to the legitimizing activities to succeed (Raupp, 2015; Hayenhjelm, 2006). Engaging in dialogue, in addition to the constant scanning of the external environment for weak signals, might bring up new information that requires a response that possibly contradicts with the initial risk communication strategy (Raupp, 2015).

The deliberate risk communication plan is something that – presumably – an organization prepares before proceeding with any major strategic actions, in order to be able

to handle any harmful issue potentially deriving from those actions. Without a doubt, this is done to the best of the knowledge of the organization – at that specific time. What happens, though, if a new actor, completely uninvited and unaccounted for, joins in the conversation initiated by the organization, and the originally intended results of the communication start to appear less and less likely by the hour? Should the organization carry on in accordance to the deliberate plan and ignore the *emergent agents* (Heath, 2010) who were not initially accounted for, or perhaps react to the issue in a way or another? According to Raupp (2015), the organization should not stubbornly stick to the original plan, but adjust it case by case instead, since developing an effective risk communication strategy is an ongoing process of making sense of ambiguous information and identifying and interpreting weak signals, and responding to them accordingly. For instance, a weak signal could be an emergent agent (Heath, 2010) entering the *rhetorical arena* of the case (Frandsen & Johansen, 2010) and introducing such a competing, unthought-of frame to the issue that it could not simply be ignored by the organization. Scenarios like this indubitably call for adaptation and emergency over strictly binding deliberate plans.

Raupp's (2015) claim is supported by Eriksson (2014), who calls for increased improvisation in crisis communication to allow the communication processes to develop in symbiosis with each specific situation for more efficient response instead of tying the hands of the communicators with the deliberate and rigid plans and strategies made in advance. While Raupp (2015) is concerned about risk communication and Eriksson (2014) discusses crisis communication, their thoughts align well together, since a failure in risk communication can quickly turn into a crisis communication situation. Their researches (Raupp, 2015; Eriksson, 2014) comprise the backbone of the theoretical framework of this case study. A wide range of theories – to mention a few – of strategic communication (Mahoney, 2011; Argenti, Howell, & Beck, 2005; Coombs T. W., 2014), investor relations ("IR") (Strauß, 2018; Laskin, 2017; Chandler, 2014), risk and crisis communication (Frandsen & Johansen, 2010; Heath, 2010), framing (Fiss & Zajac, 2006; Benford & Snow, 2000; Benford, 1993; Entman, 1993) and institutionalism (Sandhu, 2009; Suchman, 1995) complement the theoretical framework and create a coherent collection of lenses through which the case can be looked into.

Endorsed by the multifaceted theoretical framework described above, this study takes a thorough look into the fascinating and many dimensions of the strategic, boundary-spanning risk communication activities of the organization. The study sets to discover traces of risk communication potentially bridging two commonly separate functions, IR and Press

Relations (“PR”), or more specifically media relations, in the organization’s attempt to balance between the internal risk assessments and external perceptions of risk during a strategic change and steer them towards a more favorable direction from the organization’s point of view.

In more detail, this study is conducted by mapping out an inclusive selection of messages sent by the two sides of the Mergers & Acquisitions (“M&A”) transaction and deemed to be of major importance to the flow of the case, and then analyzing various elements in those messages in chronological order to discover any hints of possible dialogue or responsiveness between the two companies that would appear to substantially steer the course of the events. One such element is the framing and re-framing of the risks in the external communication by the two parties in order to change the targeted audiences’ risk perceptions more in the favor of one or the other side. For example, a sudden introduction of a new frame after the initial regulatory and discretionary messages have been sent and the opposing party has published their opinion on the issue could imply that the case company actually reacts to the messages sent by the other party and perhaps even has to improvise in its risk communication because of them. Another such element and a useful addition to the professional communicator’s toolbox is the *voice* used by the organization in its messages to evoke feelings of trust, mutual control, satisfaction and commitment in order to more effectively convince the audience (Chandler, 2014).

Furthermore, what separates this specific case from perhaps the most typical kind of M&A cases, is the rather intriguing – from scholar’s point of view – and dramatic turn of events when the targeted company publicly announced that it considers the takeover offer hostile. Furthermore, both companies – the acquirer and the acquiree – are publicly listed international companies, one quoted on Nasdaq Helsinki, Finland, and the other quoted on Frankfurt Stock Exchange, Germany. Both companies are headquartered within the borders of the European Union (“EU”), making this case study also a deep dive into the corporate Europe as the plethora of EU legal acts of different types creates a highly institutionalized operating environment for the businesses within. Naturally, some of the regulations, directives, recommendations and others also concern the external communicative actions of the companies that operate from within the EU – especially if the company is publicly listed, as it happens in this case.

Finally revealed, the company in the limelight of this case study is Fortum Oyj (hereinafter referred to as “Fortum” or “case company”), a publicly-listed Finnish utility company majority-owned by the Finnish State with a stake of 50.76 % as of 31 December

2016 (Fortum, 2017). The end of 2016 marks the time nearly nine months prior to 20 September 2017, which is when the case studied in this thesis officially began (Fortum, 2017). The targeted company of the M&A transaction is Uniper SE (hereinafter referred to as “Uniper”), a publicly-listed German utility company minority-owned by E.ON with a stake of 46.65 %. The two companies, Fortum and Uniper, together with the time window and the events of the case, are thoroughly explained in the Subchapter 1.2.

The research data, referred to as *the messages* in the paragraphs above, is a collection of regulatory and discretionary IR and PR texts directly or indirectly published by the two sides of the M&A case, and a few media texts. This data pool contains a prominent proportion, though not all, of the IR and PR texts that Fortum, Uniper or the media have published during the case. The research data is discussed in more detail in Chapter 3.2 of this thesis. These IR and PR text samples are then analyzed in Chapter 4 in careful consideration of which parts in the texts exist only to fulfill the regulatory requirements by the securities law compliance, and which parts appear more as discretionary, additional content with which the organization might try to convince the audience to adopt the organization’s point of view in some specific issue.

1.1 Objectives and research questions

As clarified in the subchapter above, the recent literature on risk communication (e.g. Frandsen & Johansen, 2010; Raupp, 2015) acknowledges not only the strategic nature of risk communication, but also the fact that the risk communication strategy of the organization seldom remains purely deliberate, as factors such as the constantly developing dynamics of the issue arena (Frandsen & Johansen, 2010) and social amplification (R. E. Kasperson et al., 1988; R. E. Kasperson, 1992; J. X. Kasperson et al., 2003) often require the ability to adjust or even emerge away from the initial risk communication plan. However, it is still relatively uncharted territory whether the growing uncertainty or an unforeseen turn of events actually affect the deliberate change communication strategy of an organization that is currently undergoing that specific change for which the strategy was initially created. Therefore, the main research question is formulated as follows:

***RQ 1:** To which extent, if any, does the deliberate change communication strategy of an organization adapt to or emerge from the looming uncertainty with characteristics of risk and crisis, brought about by the reluctance of the target of the M&A transaction?*

In order to comprehensively answer to the main research question, four sub questions (RQ 1.1 - RQ 1.4) were crafted. Finding answers to them and reflecting them with each other will provide the needed insight to tackle the main research question (RQ 1). RQ 1.1 directs the focus on the frames used by the case company itself, while RQ 1.2 aims to identify any emergent actors that might enter the rhetorical arena and introduce their own, contesting frames. Both RQ 1.1 and RQ 1.2 incorporate consideration of whether the messages are informational, educational or dialogical to identify the nature of these communicative activities by the two sides of the M&A transaction. RQ 1.3 sets to discover what happens to the frames identified in RQ 1.1 and RQ 1.2 as the case progresses – perhaps one of the deliberate frames disappears and a new one appears in its stead, as the case company feels obliged to react in one way or another? RQ 1.4 investigates the level of co-operation between the two typically separate functions, investor and media relations. RQ 1.4 might already become answered in the answers to the earlier sub questions. The four sub questions are as follows:

***RQ 1.1:** How does the case company frame its messages of change communication in terms of context, content and stakeholders? Are the messages informative, educational or dialogical?*

***RQ 1.2:** Are there any other actors in the rhetorical arena who attempt to shape the risk perceptions of the stakeholders by suggesting alternative frames in their communication? Are the messages informative, educational or dialogical?*

***RQ 1.3:** Does the weight or frequency of any specific frame or voice deliberately used by the case organization noticeably change as the case progresses, as in a possible reaction to occurrences in the external operating environment? Do any new frames or voices appear in, or previous frames disappear from, the messages of the case organization?*

***RQ 1.4:** What kind of co-operation between the investor and media relations functions can be interpreted in the change communication activities of the case company?*

1.2 Case information – of time window, case companies and events

For the sake of accuracy in this case study, a specific notion regarding the timeline of the case and its impact on the analysis must be underlined and kept in mind throughout the thesis: since the first official remark regarding the case is from 20 September 2017 when Fortum published a stock-exchange-release expressing its intention to become a major

shareholder in Uniper, both Fortum and Uniper as companies must first be considered and analyzed as they were prior to that date. In other words, the starting point for this case study shall be determined based on the documents provided by the two companies before 20 September 2017, the date that marks the first day of the case and when the events took an undesired, though probably not totally unexpected, course from Fortum's perspective. It is of paramount importance to this case study that the key information, such as the mission, vision and strategy of the case company and the frames and voices the case company typically used in its external communication, is derived from documents that were publicly available prior to the case.

The information described above is then compared with the information found in the documents published by the case company after the initial turn of events on 20 September 2017. Last item included in the second set of data was published on 16 January 2018 by Fortum, announcing the closing of the initial takeover offer with 46.93 % acceptance, including the 46.65 % stake that E.ON had in Uniper. The 35 documents published by Fortum, Uniper and a few selected media between 20 September 2017 and 16 January 2018, complemented with a few texts concerning strategy and prior M&A cases published by Fortum prior to 20 September 2017, form the data used in this case study.

To repeat, it is of utmost importance to this case study to make a clear separation between the material used in this case study and the most up-to-date information available, since the case took place between the years 2017 and 2018, but at the time of writing this case it is already the year 2019. Both Fortum and Uniper have already published their financial statements and annual reports for 2018, and without this established separation based on the publishing dates of all the documents, the information could be from documents that have already taken the Uniper case and its aftermath into account, which would therefore compromise the reliability and validity of this case study. The time window, as well as all other factors that affected the collection of the research data, is explained in detail can be found in subchapter 3.2

As explained in the paragraphs above, the following descriptions of the two case companies, Fortum and Uniper, are based on the documents published before 20 September 2017, in order to present the state and goals of the companies at that specific time. This will later work for the benefit of the case analysis, as it enables the comparison of items crucial to the study, such as the words and frames used by the case companies, as well as the chosen target audiences before, during and after the case, amongst other things.

Fortum Corporation is a Finnish utility company publicly listed on Nasdaq Helsinki, providing its customers with electricity, heating and cooling, as well as smart solutions to improve resource efficiency (Fortum, 2017). In the beginning of the year 2017, the company employed approximately 8 100 employees, most of which being located in Russia (3 700), Finland (2 000), Poland (900) and Sweden (700), while the rest approximately 400 employees being located in Estonia, India and the rest of the Nordic and Baltic countries (Fortum, 2017). The three business segments of Fortum were Generation, City Solutions and Russia, with total sales of EUR 3.6 billion in 2016 (per segment: EUR 1.7, 1.4 and 0.9 billion, respectively). On 1 February 2017, the market capitalization of the company was approximately EUR 13.0 billion (Fortum, 2017; Fortum, 2019).

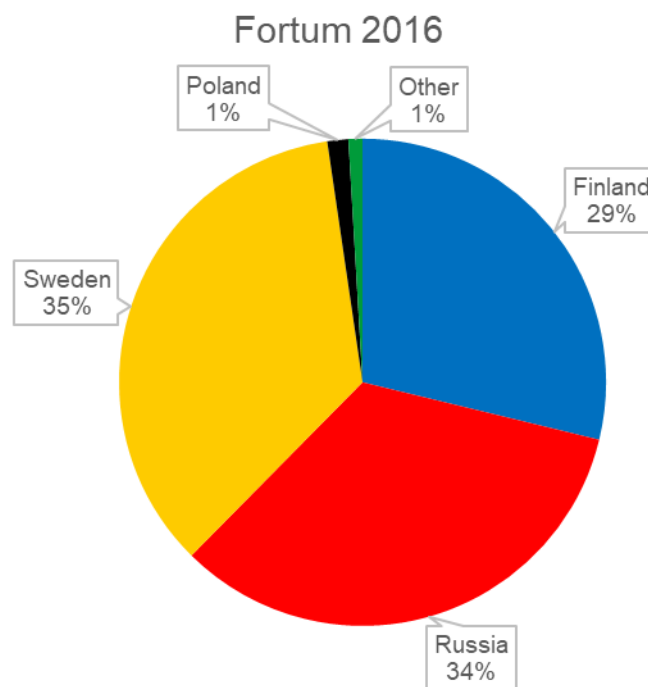


Figure 1. Fortum's power generation by geographical location in 2016 (Fortum, 2017, p. 12).

The size of Fortum's businesses is especially interesting from the point of view of this case study. In 2016, the company's sales of electricity and heat amounted to EUR 2.58 and 0.65 billion, respectively (Fortum, 2017, p. 135). The same year, the power generation capacity of Fortum was 13.3 GW, while the heat generation capacity was nearly 13.7 GW (Fortum, 2017, p. 135). Fortum's power generation had three major energy sources: natural gas (33.2 %), nuclear power (33.0 %) and hydro power (28.3 %). Coal, biofuels, waste-derived fuels, wind, solar and other sources contributed the missing 5.5 % (Fortum, 2017).

More specific information about the proportions of different energy sources in Fortum's total power production are illustrated in the chart below (Figure 2).

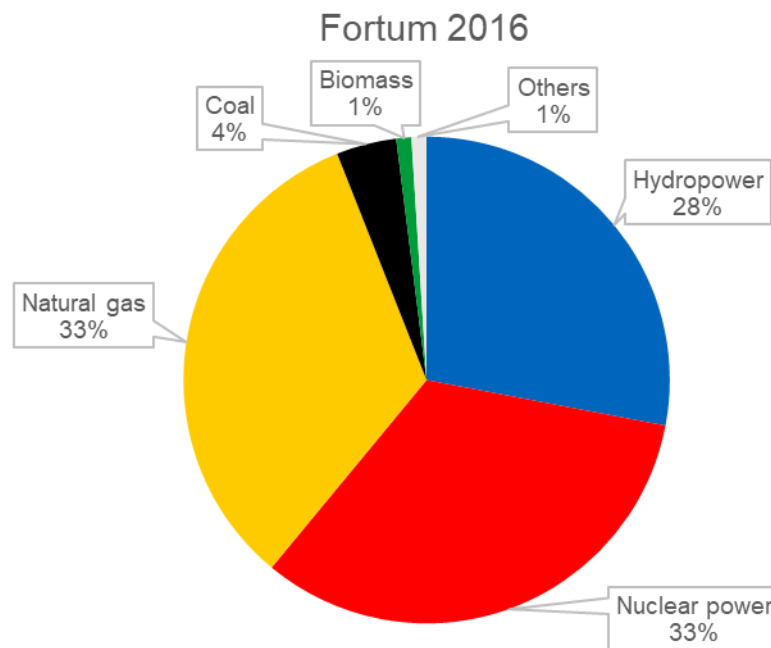


Figure 2. Fortum's power generation by energy source in 2016 (Fortum, 2017, p. 12).

In 2013, Fortum was also a major player in power distribution in the Nordic countries. Fortum's power distribution business area was worth of 3 786 million euros in net assets and the served roughly 1.6 million customers in Sweden, Finland and Norway (Fortum, 2013). In the 12-month period ending at the end of the third quarter of 2013, the power distribution business area totaled 1 105 million euros in sales, employed 860 people and provided the company with 356 million euros of comparable operating profit which accounted for approximately 20% of the comparable operating profit of the company for the same period of time (Fortum, 2013). At the end of 2013, Fortum declared its intent to focus on the core competence of the company – the production and sales of low-carbon power and energy-efficient heat – in order to seek growth and improve Fortum's long-term value creation (Fortum, 2013). The announcement came with a strategic decision to divest the power distribution business area completely, country by country, to strengthen the balance sheet of the company and prepare for future growth (Fortum, 2013).

Consequently, Fortum sold its power distribution business in Finland in December 2013 for 2.55 billion euros (Fortum, 2013), in Norway in April 2014 for 0.34 billion euros (including the divestment of the company's heat business in Norway) (Fortum, 2014), and

in Sweden in March 2015 for approximately 6.6 billion euros (Fortum, 2015). These divestments provided Fortum a total sales gain of 6.3 billion euros (Fortum, 2014), the required capital for investments to be made in accordance to the revised strategy of the company (Fortum, 2013), and which was later used to proceed with the several successful M&As (e.g. Fortum, 2017; Fortum, 2016; Fortum, 2016). These acquisitions are introduced later within this chapter for further clarification of Fortum's status quo as of 2017.

The ownership of the company can potentially make a difference in the way the many stakeholder groups view the company and react to its actions. For a very simplified example, if a company is fully owned by the state it is headquartered in, the citizens might observe the operations of the company more carefully and take any failures in its operations very personally, as they might feel that the company is wasting their tax money. On the other hand, if that very same company has a significant proportion of foreign shareholders, the citizens might easily get the impression that the company is just being used as a tool for the foreigners to transfer the money abroad and thus make the country poorer, hence potentially creating more negative reactions to the company actions. This, as merely one example, is something that the organizations have to keep in mind through all times, especially when engaging in external communicative activities, as it affects the process straight from the beginning when the organization decides the most suitable frames for its messages (Fiss & Zajac, 2006).

As of December 2016, the Finnish Prime Minister's Office, in other words the State of Finland, was the majority shareholder of Fortum with 50.76 % ownership of the company shares (Fortum, 2017). Foreign investors (nominee registered shares) possessed 27.50 % of the shares, while the rest 21.74 % were owned by Finnish households, Finnish financial and insurance corporations and other Finnish investors (Fortum, 2017). There were not any significant changes in the company ownership after Fortum published its intentions to become a major shareholder in Uniper: as of December 2017, the Finnish Prime Minister's Office still owned 50.76 % of the shares and foreign investors (nominee registered shares) 30.12 %, leaving 19.12 % of the shares in the hands of Finnish households, Finnish financial and insurance corporations and other Finnish investors (Fortum, 2018). The proportion of shares owned by foreign investors had grown 2.62 percentage units, and the Finnish ownership had decreased by the same amount.

In February 2016, Fortum published the new vision and strategy of the company together with updated financial targets (Fortum, 2016). This strategy was the first one crafted under the leadership of the current (as of April 2019) President and CEO Pekka Lundmark,

who joined Fortum in September 2015 after his predecessor Tapio Kuula had retired from his position in February 2015 (Fortum, 2015). The previous strategy had laid foundations to the new 2016 strategy, underlining the importance of sustainable and efficient production of electricity and heat already at that time, and seeing Fortum's power distribution business divested in order to prepare the company for future growth in other business areas instead (Fortum, 2014).

The new strategy of Fortum, announced in February 2016, builds on four cornerstones, elaborated by the company as follows: 1) **enhancing productivity** of the current fleet by lowering cost base, strengthening procurement and increasing capital efficiency in all operations, and **driving industry transformation** by industry consolidation and restructuring in the current home markets and their vicinity, 2) **creating sustainable solutions for cities** related to heating and cooling, waste-to-energy and waste management, as well as the electrification of the city infrastructure in the coming of electric vehicles, 3) **growing in solar and wind power** to a gigawatt-scale with the help of rapidly maturing related technology, and 4) **building new energy ventures** by accelerating innovation and commercialization of new solutions through direct and indirect investments and partnerships, in order to be in the forefront of the technological and digital advance in the industry (Fortum, 2016).

Our new vision - the forerunner in clean energy - ties all these themes together. Our strong net cash position provides us a unique opportunity to grow and take a proactive role in driving the industry transformation. We will invest in growth supported by our strong balance sheet to the extent our comparable net debt to EBITDA target enables us. The target is to strengthen our position in the current home markets and wider Europe through consolidation. At the same time, we aim to utilise our know-how and competences to create new revenue streams based on other value drivers than the Nordic wholesale power price.

Pekka Lundmark, the President and CEO of Fortum (Fortum, 2016).

Furthermore, Fortum listed several global megatrends which, combined with low energy prices and slow economic growth, drive the fast transformation of the energy industry: climate change mitigation, urbanization, rapid technological advance, digitalization and more active customers (Fortum, 2016). In its strategy, Fortum stresses that the energy sector must become the leader in climate change mitigation (Fortum, 2016). This was a logical continuation to Fortum's earlier announcement in 2015 that the company supports the Paris climate agreement (Fortum, 2015). The company's stated vision *For a*

cleaner world indeed seems to be one of the main arguments publicly used by Fortum to justify its actions since the announcement of the company's new strategy in February 2016 – logically building on the previous strategy that already voiced Fortum's concern over the environmental challenges that the energy sector has to face, and the company's plans to increase low-carbon power production (Fortum, 2013).

Falling outside the scope of this case study, Fortum updated its strategy on 12 November 2018 to shift the focus of the company from capital redeployment and building of business portfolio to strengthening the operational excellence and ensuring the value creation of the new, optimized portfolio, driving focused growth in the power value chain and planting the seeds for significant new business in the future (Fortum, 2018). The company's vision *For a cleaner world* remained unchanged, and as of April 2019, it still stands valid. Either way, this change of strategic focus by Fortum does not concern this case study and will therefore be ignored from this moment onwards.

1) Drive productivity and industry transformation	2) Create solutions for sustainable cities
3) Grow in solar and wind	4) Build new energy ventures

Figure 3. The four cornerstones of Fortum's strategy 2016-2018 (Fortum, 2017, p. 8).

In 2016, the company took a leap towards *a cleaner world*, as their slogan goes, by acquiring two recycling and waste-to-energy companies: the Finnish Ekokem and Swedish Turebergs Recycling AB (Fortum, 2016; Fortum, 2016). Fortum also invested in a Finnish biorefining technology company Chempolis (Fortum, 2016). During the year 2017, the strategy of the company was furthermore advanced when Fortum entered into partnership with the City of Oslo, Norway, and restructured the ownership of Hafslund, one of the largest listed power groups in the Nordics, to make Oslo a greener city (Fortum, 2017). The same year, Fortum was also able to grow its solar and wind capacity from 58 MW to 295 MW (Fortum Corporation, 2018). More M&A news were announced on 20 September 2017, when Fortum announced its intention to become a major shareholder in German-based international energy company Uniper SE (Fortum, 2017). However, this time the targeted company, Uniper SE, disagreed with the business transaction of having Fortum become its

major shareholder (Uniper, 2017), which marked the beginning of the case this thesis focuses on.

In the stock-exchange-release, Fortum described the acquisition of Uniper as a transaction that is strongly grounded in strategic and financial rationale, would deliver on the company's capital redeployment plan and meets with the criteria set for such transactions, as well: Uniper's businesses are not only highly cash generative and close to Fortum's home markets, but they are also consisted of a significant amount of power production functions (Fortum, 2017) – Fortum's core competence, as the company declared in its strategic assessment already in 2013 (Fortum, 2013). The frames used by Fortum in its external communication about acquiring Uniper will be more specifically explained and analyzed later in Chapter 4.

Uniper's stated role as the provider of security of supply would be an excellent match with Fortum's ambition to accelerate the energy transition with increasing renewable generation and innovative solutions. Both are needed to make the change happen and each plays a crucial part as Europe transitions from a conventional to a cleaner and more secure energy future.

Pekka Lundmark, the President and CEO of Fortum (Fortum, 2017).

Fortum received significant public attention in Finland for its decision in December 2013 to divest the Finnish power distribution network to *Suomi Power Networks Oy*, owned by two Finnish pension funds (20% combined) and two foreign investors (80% combined) (Fortum, 2013). The business transaction was strongly criticized especially by the political party *The Finns Party*, which was in the opposition at that time (Niinistö J. , 2013; Suomen Uutiset, 2013), and defended just as strongly by the Prime Minister party *National Coalition Party* (Suomenmaa, 2013). The divestment raised certain concerns among at least some of the Finnish citizens, as well (see the quote below). In the years following the divestment, the more time Fortum had to take to reallocate the cash it had earned from selling the power grids, the more criticism surfaced in the media (e.g. Arvopaperi, 2016; Iltalehti, 2017).

Valtio myy infraansa eli hätätilojen perusturvaansa siis sähköverkot ulkomaisille keinottelijoille? Päättäjät tulleet aivan päättömiksi? Fortum on valtionyhtiö turha muuta väittää! Energiariippuvaa Suomea sitten helppo kupata ulkomailta! Kansa ei tule hyväksymään ja päättömiltä pudotetaan ne päät!

Transl.

The state is selling part of its infrastructure, the power grids that are crucial in national emergencies, to foreign jobbers? The decision makers have become completely mindless? Fortum is a state-owned company, don't claim otherwise! It will be easy to leech the money off from energy-dependent Finland to foreign lands! The people will not accept, and the mindless will be decapitated!

Anonymous reader's opinion posted on a major Finnish general newspaper *Etelä-Suomen Sanomat* on 12.12.2013 (Anonymous, 2013)

The consortium of Finnish pension funds and international investors that bought the Finnish power grids from Fortum named the new power distribution company *Caruna*. However, Fortum was not the only state-owned company that had ended up divesting their power distribution businesses in Finland: Vattenfall, a wholly state-owned Swedish power company had announced the selling of its power distribution and district heating businesses in Finland to a consortium called *Lakeside Network Investments* and formed by one Finnish pension fund and three foreign investors (proportions of ownership were not disclosed) for 1.54 billion euros already in December 2011 (Vattenfall, 2011). The new power distribution company was named *Elenia*. In December 2017, Elenia changed owners again as it was sold for 3.7 billion euros to one Finnish pension fund (10%) and two foreign investors (90% combined) (Elenia, 2017).

Both Caruna and Elenia have frequently appeared in more or less negative sense in the Finnish media in countless news articles ever since they were sold Vattenfall and Fortum. The reasons for such negative publicity are various, but basically all caused by Caruna and Elenia themselves. For one, Caruna and Elenia have continuously been accused of systematical tax avoidance in their effort to minimize the taxes paid to the Finnish state (e.g. Finnwatch, 2018; Yleisradio, 2017; Yleisradio, 2016). Both Caruna and Elenia have also been accused of using their status as natural monopoly to their advantage by rapidly increasing the transfer prices of electricity, while the households connected to their power grid have had no other choice but to pay the increased bill (e.g. Yleisradio, 2016). This has also forced the Finnish Competition and Consumer Authority ("FCCA") and the Finnish government to comment on the issue and take measures to limit the annual price increase to power transfer bills set by the power distribution companies (e.g. Yleisradio, 2017; Helsingin Sanomat, 2016; FCCA, 2016). To be fair, some of the criticism concerning tax avoidance have also been directed at the Finnish pension funds, for they own parts of Caruna and Elenia, yet allow or even pursue the current level of tax avoiding activities (Finnwatch, 2016).

Even though Fortum cannot be held legally responsible for the actions of the new owners of its Finnish power grids, and even less for those of the new owners of Vattenfall's Finnish power grids, it is understandable if some households were still wondering whether any of this would have happened without the power grids being sold away from the hands of the state-owned companies, especially Fortum as a Finnish company that sold power grids on Finnish soil. Consequently, while the Caruna and Elenia cases are not directly connected to Fortum's attempt to acquire Uniper, without a doubt these two cases have got many Finnish citizens and politicians on their toes, granting the media a great topic for news articles that will surely find their readers. And since the capital Fortum used for the Uniper transaction is basically from the divestment of the company's power distribution business area, it would not be that surprising if in Finland there were many eyes sharply following every move of the company, and many mouths ready to judge the acquisition of Uniper as "another mindless move by Fortum and the government to waste the Finnish tax payers' money". However, it can also be that Fortum was aware of this possibility right from the beginning and the takeover attempt on Uniper turned out to be exactly as difficult to convince to the Finnish people as the communications managers at Fortum were afraid of.

Up until the completion of the legal spin-off in September 2016 (Uniper, 2017), Uniper was still a part of E.ON, a German electric utility company with 56 500 employees, market capitalization of EUR 17.4 billion and 45.3 GW of attributable generating capacity in the end of 2015 (E.ON, 2016). E.ON left Uniper with its fossil power generation and global energy trading businesses, and it was decided that Uniper's focus would be in leading the necessary consolidation of power generation in Europe and offering services to the system needs of the future (E.ON, 2016). As Klaus Schäfer, the freshly appointed CEO of Uniper, put it:

The energy transition that everyone – including Uniper – wants will only succeed through a combination of conventional and renewable energy providers. As a pioneer in the energy transition, Uniper is ensuring that power will continue to flow even when the wind isn't blowing and the sun isn't shining, and that the gas remains available for industry and private households. --- With the expansion of renewable energies, demand is increasing in Europe for flexible generation capacity to ensure that our energy supply remains secure and affordable. This is where Uniper comes in: with our flexible, dispatchable generation facilities and many years of experience in gas procurement and storage, we play an important role in many European countries when it comes to security of supply

Klaus Schäfer, the CEO of Uniper (Uniper, 2017, p. 2).

Already in the end of 2014, when E.ON first announced its intention to create a spin-off, the company had made it clear that it plans to divest the remaining stake in Uniper it will have after distributing the majority of the shares of the new company to E.ON's shareholders (E.ON, 2014). On 9 September 2016 E.ON allotted the majority stake in Uniper, 53.35 %, to the shareholders of E.ON, leaving 46.65 % in its own hands (Uniper, 2017, p. 10). Thus, 53.35 % of Uniper's shares were free float while 46.65 % of the shares were in E.ON's hands, waiting to be divested as E.ON had announced right in the beginning (E.ON, 2014).

In the beginning of 2016 Uniper employed 13 700 people, but by the end of 2016 only 12 600 (Uniper, 2017, p. 53), as the company had started a program to save EUR 400 million by cutting jobs, most of which in Germany via natural attrition, semi-retirement and severance packages (Reuters, 2017). The power generation business that Uniper received from E.ON accounted for a total power generation capacity of 41 GW, the power plants being located in Germany (11.8 GW), Russia (9.9 GW), UK (7.5 GW), Sweden (6.5 GW) and other parts of Europe (5.0 GW) (E.ON, 2015, p. 8).

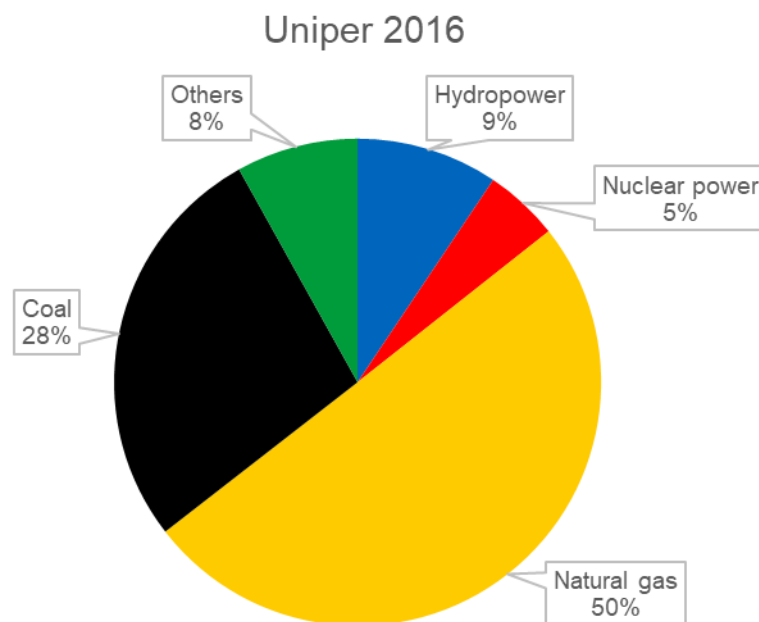


Figure 4. Uniper's power generation by energy source in 2016 (Uniper, 2017, p. 8).

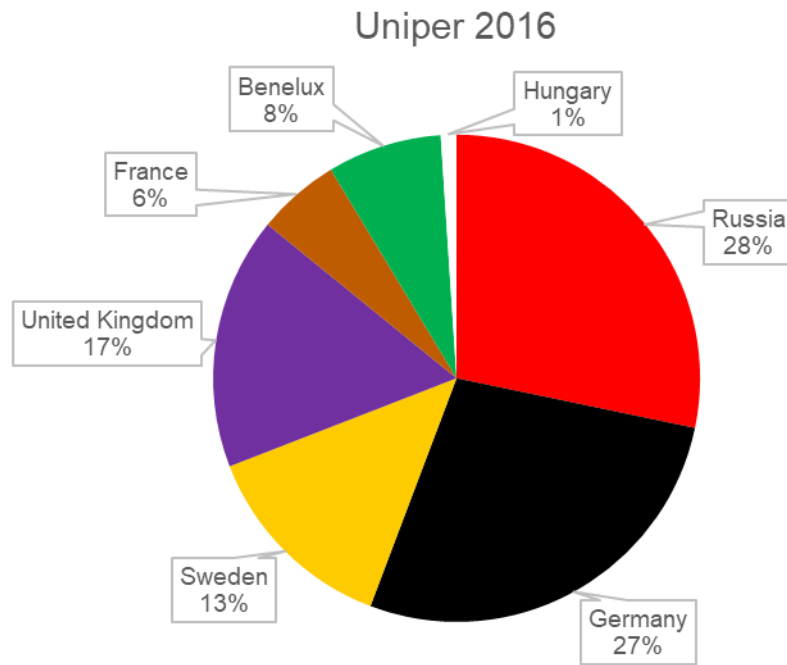


Figure 5. Uniper's power generation by geographical location in 2016 (Uniper, 2017, p. 8).

In his CEO Letter for the year 2016, Klaus Schäfer (Uniper, 2017) sounded very confident about the development and usefulness of Uniper's businesses in the future, and mentioned about an implementation of a new reorganization of Uniper to cut the annual controllable costs by 17 %. According to him, Uniper also managed to reduce its net debt from EUR 4.2 billion to EUR 2.5 billion in the 2016 fiscal year, and pay out a dividend of 55 euro cents per share, both of which are natural continuums to the solid financial and operational performance of the company during its very first year as an independent company (Uniper, 2017). The good performance of the company might indeed be the reason why Schäfer and the whole board of managers of Uniper – apart from the representatives of E.ON, the largest single shareholder of Uniper that had already agreed to tender its shares to Fortum – so strictly opposed Fortum's plans. Another reason could be the vast size difference between the two companies: in 2016, the total power generation capacity of Fortum was 13.3 GW (Fortum, 2017), while that of Uniper's reached 38.2 GW (Uniper, 2017) – even in terms of power generation capacity Uniper is nearly three times bigger than Fortum, yet Fortum is the one attempting to acquire the other one. That might not have sat well with the managers at Uniper under the risk of losing the independency of their company only shortly after parting ways with E.ON in the first place.

One more issue regarding Uniper needs to be brought to light before the case study can progress any further: in April 2018, the Russian Government Commission for

Monitoring Foreign Investments gave approval for the acquisition of Uniper but limited the transaction to up to 50% of its shares and voting rights (Fortum, 2018). This was due to Unipro PJSC (hereinafter referred to as “Unipro”), the Russian subsidiary of Uniper, possessing a water examination license for one of its five power plants, Surgutskaya GRESS-2, which resulted in Unipro being considered *strategic* under the Russian law and therefore preventing higher than 50% ownership of any new foreign investors (Fortum, 2018). Curiously, Unipro was registered in the Russian Register of Natural Monopolies and received the status of strategic asset only in January 2018 (Uniper, 2018), long after Fortum had first announced its intention to become a major shareholder in Uniper on 20 September 2017 (Fortum, 2017).

In May 2018, a Uniper shareholder *Cornwall (Luxembourg) S.à r.l., Luxembourg*, a fund affiliated with Elliott Management Corporation, made a motion to supplement the agenda of the 2018 Annual General Meeting (“AGM”) of Uniper in June 2018 with a proposal to appoint a special auditor to investigate whether the Uniper management had attempted to undermine Fortum’s takeover offer (Uniper, 2018). However, at the time of the AGM E.ON still held the 46.65% of Uniper shares and voting rights and proposed to postpone the decision, which was approved at the AGM (Uniper, 2018). The complete commentary on the issue from Uniper’s point of view can be found in the document called *Statement of the Supervisory Board on the motion to supplement by Cornwall (Luxembourg) S.à r.l.*, published by Uniper on 29th May 2018, and in which the Supervisory Board of Uniper recommends not to vote for the use of a special audit (Uniper, 2018). Unipro plays a crucial role in this M&A case, since currently the water examination license it possesses is preventing Fortum from acquiring more than 49.99 % stake in Uniper.

1.3 Scope of the study

The scope of this case study sets certain limitations to the study, giving it direction throughout the research. First of all, the research data is clearly defined by a specific time window: it opens when Fortum first published a stock exchange release (“SER”) announcing its plan to acquire a major stake in Uniper, and closes when the initial acceptance period for the takeover offer ends. Also, the actors and the relevance of the texts to the case matter.

Second of all, the case company Fortum is a Finnish company and majority-owned by the Finnish State, while the target of the acquisition, Uniper, is a German company and nearly half of it is owned by E.ON, another German company. Because of this, it is

hypothesized that the texts published in Finland and Germany would reach the essential stakeholders of the two companies most effectively, therefore leading to prioritizing of those texts. Some media texts are included in the research data, too, though it is done with the thought in mind that this case study does not focus on other aspects of media except their function as an additional arena for the two companies to reach specific audiences.

Third of all, a limitation concerning the role of Russia in this case must be voiced: in Spring 2018, falling outside the time window of this case study, a new trashing campaign against Fortum was started, though this time in Russia:

Venäjällä käynnissä maksettu, ei-poliittinen lokakampanja #Fortumi ia vastaan. Olemme ryhtyneet oikeustoimiin virheellisten juttujen oikaisemiseksi #fakenews

Transl.

A paid, non-political trashing campaign going on in Russia against #Fortum. We have engaged in juridical actions to correct the false information #fakenews

Twitter tweet by Kati Suurmunne, the Vice President of Group Communications of Fortum, published 16 April 2018.

As can be seen from the tweet quoted above, Fortum reacted by making a lawsuit. Furthermore, even the President of Finland, Sauli Niinistö, commented the issue on 28 April 2018 and suggested that it might be the doings of Uniper (2018). Nevertheless, this study excludes the whole occurrence. As can also be concluded from the article published by Reuters (2017), Russia offers a fascinating but complicated business environment, and diving into it would not support finding the answers to the research objectives of this case study, therefore making it only reasonable to exclude it from the data and scope of the thesis.

Finally, for the sake of a more cohesive case study, the role of media shall be limited to as merely a public arena where organizational actors can join and engage in legitimizing and delegitimizing activities (Badham, 2018). This will allow more straightforward analysis of the case and a stronger focus on the possible signs of improvisation by Fortum in its communication in response to Uniper's public attack against Fortum and its intention to acquire a major stake in the German company.

1.4 Structure of the thesis

This thesis is divided into six chapters for the sake of clarity and coherence. **Chapter 1**, the current chapter, is the introductory chapter. It begins with a brief guidance into the themes

of the case study and continues with a representation of the research objectives and the research questions. The first chapter also provides the reader with the necessary information about the two companies involved in the case, Fortum and Uniper, and the timeline of the case. **Chapter 2** contains the literature review, in which such theoretical concepts as strategic communication, risk and crisis communication, marginalized audiences, emergent agents, frames and legitimacy, among other related concepts, are brought together with a top-down approach to establish a coherent theoretical framework for the case study.

Chapter 3 consists of a detailed explanation of the research data and the research methods used in the case study. The research data is displayed in the form of a table with columns for date, sample ID, publisher, genre and heading, and the items are inserted in chronological order to illustrate the flow of events clearly and precisely. Furthermore, the important aspects of reliability and conformability are considered here. **Chapter 4** contains the analysis of the research data exhibited in Chapter 3 on the basis of the theoretical framework crafted in Chapter 2. In the analysis, the IR and PR texts published by the two companies and a few selected media are placed chronologically on another table with columns for date, sample ID, voices, frames and notes. The regulatory and discretionary IR and PR texts create a timeline that efficiently transmits the context and complexity of the case to the reader.

Chapter 5 takes the time to discuss the results of the analysis in consideration of the established theoretical framework and a broader social context, and also suggests a new model for risk communication that reflects and illustrates some of these findings. The chapter concludes the case study by summarizing the research, its contributions to the field and practical implications. The validity and transferability of the study are also considered, and suggestions for further research made.

1. Introduction	• Defining the research objectives and offering case information
2. Literature review	• Putting together the theoretical framework for improvisation in risk communication
3. Research methods and data	• Describing the data and methods used in the case study
4. Findings	• Analyzing the research materials and representing the findings
5. Discussion and conclusions	• Reflecting the findings to the theoretical framework and advancing the theory • Considering the contribution, practical implications and validity and transferability of the study, and suggesting topics for future research

Figure 6. Structure of the thesis as outlined based on the literature review.

2 Literature review

In this chapter, the theoretical framework will be constructed based on the prior literature review. Subchapter 2.1 consists of an overview of strategic management in consideration of the inevitable changes that occur in the operating environment of the organization and drive organizational change. Subchapter 2.2 further explains how organizational change, driven by these inevitable changes, might stir unintended consequences that drive even further organizational change. Subchapter 2.3 discusses the strategic essence of organizational communication, especially that of investor relations, media relations and risk communication. Finally, in subchapter 2.4, the theoretical framework for this case study is put together and visualized based on the theoretical foundations introduced in Chapter 2.

2.1 Strategic management and change

Strategy is typically seen as a specific goal and a detailed plan of actions needed to achieve that goal. However, whether the strategy is slightly adjusted, completely altered or kept intact over time does not necessarily determine the quality of the strategy itself. In fact, the strategic management academia recognizes two distinctive strategy approaches, that can be viewed as the opposite ends of the scale, and between which all of the real-world strategies can be placed: deliberate and emergent strategy approaches (see e.g. Mintzberg, 1978; Mintzberg & Waters, 1985).

Michael Porter (e.g. 1979, 1996, 2008) takes a rather deliberate approach to strategy, defining it as a strive to either position the organization where the competitive forces are the weakest within the industry, or to defend the organization against the forces. It is worth pointing out that Porter's view of strategy is not blind to unexpected changes in the strength of the competitive forces, rather it emphasizes the importance of proper planning before acting. Porter (e.g. 2008) also acknowledges the need for dynamic, ongoing strategy formulation in the modern world that keeps rapidly developing due to technological progress, for example.

Henry Mintzberg and James Waters (e.g. Mintzberg, 1978; Mintzberg & Waters, 1985; Mintzberg, 1994), on the other hand, strongly emphasize the emergent approach to strategy. Mintzberg separates strategic planning from strategic thinking and claims that the most successful strategies are in fact not plans but visions (Mintzberg, 1994, p. 107). According to Mintzberg (1994), the strategic vision guides the development process of strategy, and

should rather be left as broad visions than numerically or otherwise strictly determined, to better allow adaptation to the constantly occurring changes in the operating environment. In Mintzberg's (1994) view, deliberate strategies are the result of strategic planning that draws conclusions from the hard data obtained from the past and present, which leads to the fallacious thought that a deliberate strategy could overcome any unforeseeable event, such as the coming of a new technological innovation or price increases due to a change in world politics, for example. Why should the strategy of an organization be static, when the world outside is not? This evident and perhaps unreasonable conditionality of precedingly crafted strategies is undoubtedly one reason why Mintzberg so strongly calls for emergent strategy approach that adapts to the unpredictable yet imminent changes in the industry conditions and evolves with the business environment (e.g. Mintzberg, 1978; Mintzberg & Waters, 1985; Mintzberg, 1994).

However, despite his strong criticism on deliberate strategy, Mintzberg (1994) does not totally dismiss this deliberate dimension of strategy making, rather, he diminishes its weight in relation to the emergent dimension. Deliberate strategy alone might not suffice as the business fundamentals are unlikely to remain as they were when the strategy was crafted, but the hard data (e.g. market research, employee surveys) collected and analyzed in the strategic planning phase, "strategic programming" as Mintzberg calls it, might help the top management create the actual strategic vision and build on it later on, as the managers synthesize the numerical data with their intuition and what they learn from the insights from their own personal experiences and those of others within the organization (Mintzberg, 1994). In its essence, this appears similar to what Mintzberg (1987) meant by the metaphor of "crafting strategy" – experienced professionals acting in accordance to both the situation at hand and the overall strategy of the organization. Given that Porter (e.g. 2008) also acknowledges the need for more dynamic strategies than a solely deliberate strategy can stretch to, perhaps it can be concluded that it is neither one alone, but both approaches appropriately combined into one deliberately emergent strategy approach that could provide the optimal outcome.

2.2 Unintended consequences as drivers of organizational change

Panayiotou, Putnam and Kassinis (2017) draw a fascinating thesis regarding the role of unintended consequences in the process of organizational change: while the change process

often is deliberately planned and purposefully kickstarted by the organization, the outcome of the organizational change is, in fact, the result of a series of unintended consequences and reactions to tensions arising from them. To be precise, the change process depicted by Panayiotou et al. (2017) is actually ever-ongoing, since whenever the organization develops in some direction as a reaction to some specific tension or tensions, it creates new tensions somewhere else, advocating further change of the organization. Panayiotou et al. (2017, p. 1) depict unintended consequences as natural occurrences during change: “tensions and decisions develop in a reflexive relationship, which shows that change happens, not in spite of unintended consequences, but because of the unintended consequences of the decisions enacted”, which is also admitted by Jian (2007, p. 25): “although paradoxical, indeterminacy is the nature of planned organizational change”.

Furthermore, the case study by Panayiotou et al. (2017) shows that, unlike the common assumption in the field of study of organizational change (see e.g. Jian, 2007), unintended consequences in organizational change are not necessarily always negative by principle, rather, that is determined by the direction of development of the organization as it responds to the tensions that arise from those specific unintended consequences. This view might be found essential to this case study as well, as in the discussion part certain unintended consequences and the tensions and responses to them might be found to play a role in the way the case company’s strategy emerges, and not necessarily to worse.

2.3 The strategic communication imperative

As a widely adopted definition, Hallahan, Holtzhausen, van Ruler, Verčič and Sriramesh (2007, p. 3) consider strategic communication as *purposeful use of communication by an organization to fulfill its mission*. Sandhu (2009) adds that since strategic communication is intentional, it demands a purposeful actor and deliberate, rational decision-making. Zerfass, Verčič, Nothhaft and Werder (2018) further elaborate on Hallahan et al. (2007) and Sandhu (2009), arguing that strategic communication is all communication that is essential to the survival and continued success of any entity, an entity being anything from corporations, nonprofit organizations and governments to individuals and groups in the public sphere. These definitions are in line with the prior thoughts of Argenti, Howell and Beck (2005), who introduced the concept of strategic communication imperative – how it is of utmost importance that all strategic communication is aligned with the overall strategy of the organization. This applies to all strategic communications functions, such as investor

relations, media relations and marketing communications – each of these functions have their own specific objectives, key constituencies and channels, but their communication should still appear consistent with each other and the overall organizational strategy in order to achieve full strategic impact (Mahoney, 2011; Argenti et al., 2005).

Collins and Porras (2004) suggest that the most enduring organizations have established strong values and they have a long term focus on communication rather than short term. This is seconded by Argenti et al. (2005) who claim that communication with key constituencies simply must have a strategic, long term focus, as taking only a short term focus will eventually negatively affect the competitiveness of the company when the communication activities do not offer support to the overall strategy of the organization. As further explained by Argenti et al. (2005, p. 89), even though there will always be a need for tactical, short term execution, it is critical to the success of the communication efforts to add an integrated strategic focus. This integrated approach is argued to hold true throughout all corporate reporting, and separation into many narrow disciplines, such as financial and corporate social responsibility (“CSR”), should give way to more connected reporting in order for the company to build social legitimacy, credibility and trust towards its stakeholders (Ditlevsen, Nielsen, & Thomsen, 2013).

Furthermore, strategic communication must not be seen as limited only to communicative activities springing from the internal demand of the organization, but external as well: by scanning the environment and observing the public discourses, the organization can obtain valuable information on the public perception of the organization as a social actor, and if there is demand for additional or adjusted communication among the stakeholders of the organization (Hallahan et al., 2007). In other words, strategic communication can be seen as two-way symmetrical communication that bridges the organization and the stakeholders together (Grunig J. E., 2001). Furthermore, in the mass media, weak signals might unexpectedly grow into larger issues and eventually even lead to a dramatic change in the public discourse (see the social amplification framework explained in subchapter 2.3.2.2) – this holds true especially in the case of risk communication (Raupp, 2015).

2.3.1 Strategic investor relations and media relations

In the past, no such communication function as investor relations existed – it was the task of the public relations function to take care of all external communication of the company. In

the 1950s, the need for increased and customized financial communication towards the investor community started slowly separating IR from the PR function, and by the end of the century, IR had developed into its own separate function with a clearly defined managerial level responsibility and a goal of fair valuation through two-way symmetrical communication with key stakeholders. (Laskin, 2017)

To understand the very nature of IR, a univocal definition must be established, and three predominant yet distinct definitions of IR shall be looked upon in order to find any common nominators for one single definition. The Board of Directors of NIRI, the National Investor Relations Institute specifies that investor relations is “a strategic management responsibility that integrates finance, communication, marketing and securities law compliance to enable the most effective two-way communication between a company, the financial community, and other constituencies, which ultimately contributes to a company's securities achieving fair valuation” (n.d.). PRSA, the Public Relations Society of America (n.d.) defines public relations as “a strategic communication process that builds mutually beneficial relationships between organizations and their publics”, which, as suggested by Laskin (2017), can be applied to investor relations by replacing the word *publics* with the word *investors*, for example. Cutlip, Center and Broom (2000, p. 5) talk about management instead of communication in their definition of public relations as “a management function that establishes and maintains mutually beneficial relationships between an organization and the publics on whom its success or failure depends”, yet again a similar replacement of words can be made to offer another definition of investor relations (Laskin, 2017).

Since the ultimate goal of investor relations based on the definition of NIRI (n.d.) is the fair valuation of the share of the company, and the two other definitions (PRSA, n.d.; Cutlip et al., 2000, p. 5) stress the relationship between the company and its financial audience, a univocal definition still has not been established. However, it seems that the emphasis on relationships could unite the three definitions. As concluded by Ragas, Laskin and Brush (2014), relationships are considered important in the way they help manage expectations: on one hand, the improved two-way symmetrical communication (Grunig J. E., 1983) helps the investors and analysts create more reliable expectations of the share value that are closer to the fair valuation, and on the other hand, it helps the management of the company to reflect to and act upon the evaluation and expectations of the company by the financial community. Thus, it seems fair to conclude this search for the definition of IR in Laskin's (2017, p. 4) words: “investor relations is a function of managing expectations”. This is well aligned with the efficient market hypothesis (Fama, 1970) that presumes certain

criteria to be met – which is considered part of the IR professionals' job. They need to ensure not only the timely and extensive disclosure of all relevant information about the company, but also the reasonable development of expectations based on that information – which requires educating the investor community of the company and its performance (Laskin, 2017).

Consequently, all three definitions build on the idea that investor relations requires two-way symmetrical communication. Indeed, Kelly, Laskin and Rosenstein (2010, p. 17) conclude that the investor relations function practices predominantly *two-way symmetrical public relations with investor publics*. The essence of the two-way symmetrical communication (Grunig J. E., 1983) in investor relations was also pointed out by L. A. Grunig, J. E. Grunig and D. M. Dozier (2002), due to their notion of the significant power that the investors possess over companies. This adds to the notion that investor relations is a strategic function to establish mutually beneficial relationships between the management and the investment community in order to establish trust and legitimacy (Strauß, 2018; Laskin, 2017; Chandler, 2014). Thus, dialogue appears to not only help the investors reach a fair value for the company share, but also provide the company with legitimacy and trust it needs to operate efficiently.

In continuation to the above definition of investor relations as two-way public relations with investor publics, and importantly from the point of view of this case study, by providing the external stakeholders a full and timely disclosure of all relevant information, the perceived risks revolving around the company's operations and investing in it might also be considered less likely among the investment community, for example (Allen, 2002). Furthermore, similarly to the company management trying to persuade the shareholders to adopt the management's views, the shareholders and other stakeholders also have the possibility to offer their points of view to the management and, by doing so, try and push their concerns higher on the management's agenda (Allen, 2002; Laskin, 2017). Furthermore, Bushee and Miller (2012) point out that rather than increased disclosure, it is the direct access to management that results in more positive outcome of the communication.

Truly, organizations have woken up to the strategic importance of entering into a dialogue with current and potential investors and other stakeholders in the financial community in their attempt to collect feedback to align the interests of the company management and its shareholders and other stakeholders (Laskin, 2017). In this aspect, the potential synergy between investor relations and public relations can already be seen significant enough to argue that the lack of convergence of the two functions might have

negative effects on the share valuation of a public company (Silver, 2004). The idea of the strategic nature of investor relations is further strengthened by Ditlevsen et al. (2013), who emphasize that due to the strong focus on historical tangibles in financial reporting, companies often also publish operational reviews of some sort, in order to provide the financial community with more qualitative and forward-looking information in the company's pursuit of further legitimacy and trust. As highlighted by Ditlevsen et al. (2013), it only works if the many texts of corporate reporting published by different communication functions appear coherent. In this sense, it can be argued that the communication functions can support each other, though just as well they can undermine each other if the messages are not integrated with the overall strategy of the company, gnawing the legitimacy of the company.

The significance of the news media in organizational legitimation is well known (e.g. Badham, 2018; Deephouse & Suchman, 2008; Meyer & Scott, 1983). In his study, Badham (2018) introduced four roles that media can adopt in this context: the news media can facilitate, influence and mediate discursive processes and, with specific interest regarding this case study, act as an arena for the legitimacy dispute. Legitimation can be assessed as an ongoing communicative process (Harmon, Green, & Goodnight, 2015) in which the organizations, media and their audiences take part as actors, and by doing so, become sources of legitimacy (Deephouse & Suchman, 2008). In consideration of all of the above, the media can be argued to be not only one of the sources of legitimacy, but also a proxy source of it, enabling the public exchange of arguments (Harmon et al., 2015). Discursive legitimation research has shown how influential organizations and their representatives – for example the CEOs of international listed companies – can employ the media as a public arena where legitimation and delegitimation attempts are publicly disputed in consideration of the prevalent regulation and social norms (Vaara, Tienari, & Laurila, 2006). For this case study, it is worth keeping in mind the roles of the media as a public platform for dispute over organizational legitimacy, and a mediator of messages.

The landscape of public relations is currently – or more accurately, constantly – going under big changes. Through digital messages, such as tweets and videos, everything occurs faster than ever before in this borderless, hyperconnected world that is always on. Technological development has increased the pace and frequency of unforeseeable occurrences. Changes in the ways how news are published and consumed in the modern time will also define how the field of PR develops. Increasingly many, and ever shorter video clips appear on increasingly diverse range of media channels, such as different social media

and video platforms, in addition to the more conventional news media websites. Traditional PR and media relations as we know it, are slowly giving way to “PR 2.0”, the updated and more agile and versatile PR in which media relations is in the process of merging with social media and marketing communications, for example. PR now takes increasingly often place in social media and other multimedia channels such as YouTube in addition to, or instead of, the more traditional online and printed news media channels. Advocacy PR – pushing a carefully crafted message masked in many forms, such as written texts, videos, or ads, to selected audiences via multiple channels and platforms – is here to stay. Today, means of advocacy PR are arguably more influential than using just mainstream media. The modern channels such as YouTube and Facebook enable – and increasingly demand – the messages to be visually represented in the form of short video clips, for example, to allow easy and fast consumption. Well-crafted messages can go viral very fast. PR is now an ongoing process that involves constant scanning of the external environment and feeding real-time information to the increasingly impatient audiences. (Salzman, 2017; Breakenridge, 2008)

2.3.2 Strategic risk communication

From the 1980s even until today, the majority of the empirical risk communication research has attempted to understand the public risk perception by measuring the effectiveness of the communication towards a rather passive audience (Raupp, 2015; Renn, 1998a). However, scholars have now adapted more situational and contextual perspectives, and established understanding that risk communication must extend further than just transferring and convincing experts’ knowledge and risk perceptions to the public (Raupp, 2015).

Building on that notion, providing participatory practices for the stakeholders and involving them in the decision-making process is now considered crucial in order for the organization to reach its stakeholders and have them accept its decisions more easily (Heath, Palenchar, & O'Hair, 2010). It is agreed among the scholars that participatory risk communication is in place if the perceptions of risk are principally equal between the experts and the public, or if the public is argued to be better informed over the risk, however, a disagreement prevails regarding to which extent the stakeholders should be involved in the organizational decision-making (Raupp, 2015).

What foundationally distinguishes risk communication from other forms of strategic communication is its exceptionally conflict-ridden nature that derives from the numerous controversy risk and crisis perceptions possessed by the increasingly diverse and sensitive

public (Raupp, 2015). The various and often contradicting risk perceptions stem from the notion by social and cultural sciences that the perception and acceptance of risks is based more on the individual's social values (e.g. Kasperson, et al., 1988), rather than the second-hand information of risk experts (Beck, 1992).

According to Raupp (2015), risk communication has three strategic functions: first, it must provide the public with as much information as possible, to comply to the growing public expectations for participation and transparency. The ambiguous risk perceptions and typically provisional nature of the risk information (Slovic, 1987) allows the use of frames for the messages, which is something that is done by not only the organization's own actors, but also the contesting actors who seek to push forward their own agenda (Raupp, 2015). Second, risk communication must educate the audiences about risk issues during the times of low risk awareness, while scanning the environment for potential threats, therefore acting as part of pre-crisis communication (Raupp, 2015). Third, risk communication has a strategic goal of legitimizing risk decisions by prompting dialogue between the organization and potentially affected publics and involving them in the decision-making process in order to prompt legitimacy and trust towards the organization among the stakeholders (Raupp, 2015; Renn, 1998a).

Technological advance and the triumph of social media have quickly changed the way crisis communication is approached, and nowadays allow more situational and direct yet undirected communication between the organization and their external environment than ever before (e.g. Salzman, 2017; Eriksson, 2015; Breakenridge, 2008; González-Herrero & Smith, 2008). This requires the ability to react fast to any changes, but the question is, as raised by Eriksson (2014), how do the crisis communicators and their attitudes adapt to this unstoppable change from deliberate crisis management planning to increasing level of improvisation in their job?

One common view is that possibly the greatest thing about the rapid coming of social media is that it allows instant access for the crisis communicators to look for weak signals, opinions and changes in public behavior in crisis situation (e.g. González-Herrero & Smith, 2008). Indeed, due to the fast transformation to the digital landscape (e.g. Salzman, 2017; Breakenridge, 2008), the crisis communicators have been both forced to, and willing to, improvise more than before – yet the classical approach to crisis management still influences their work to certain degree, for example in a need for clearly defined roles and boundaries between external and internal (e.g. Eriksson, 2015; González-Herrero & Smith, 2008).

As concluded by Raupp (2015), the only concept of strategy that is fitting to the nature of risk communication is the concept of an adaptive and emergent strategy: the development of a strategy in risk communication is a constantly evolving process that involves detection and interpretation of weak signals from the environment, making sense of ambiguous information, and framing and reframing risk messages. In addition, risk communication might turn into crisis communication with extremely short notice, which further stresses the need for its emergent nature (Raupp, 2015).

This review of risk communication appears to be in line with Mintzberg's (1987) classical concept of crafting strategy that acknowledges that efficient strategies are not the result of the top management's careful planning, but rather the result of the deliberate strategic vision being able to adopt to "grass-roots" strategies, the situational reactions to changes that arise on the lower levels of the employee hierarchy within the organization. In his case study, Eriksson (2014) notices how more experienced and devoted crisis communicators improvise according to the material and situation at hand, developing efficient strategies. The importance of experience of the risk communication professional in order to be able to improvise based on the deliberate risk communication strategy and the current situation was noted by Raupp (2015), as well. In principal, this appears coherent with Mintzberg's (1987) thought of *crafting* strategy instead of just *implementing* it and seems to offer an adequate metaphor for effective strategy in the new digital environment for risk management.

2.3.2.1 Emergent agents, marginalized audiences and framing

Large part of the research on public relations and crisis communication seems to possess a managerial bias (e.g. Heath, 2010; Waymer & Heath, 2007) – in other words, the research typically focuses on the crisis and the management of it from the perspective of the organization and thus, unintentionally or not, marginalizes or even forgets about various public audiences affected by the crisis. This makes a curious case, as often the interests of these publics are the cause for increasing media attention and the escalation from issue to crisis phase in the first place (Heath, 2010; Waymer & Heath, 2007).

Providing an enlightening example, Heath (2010, p. 7) suggests that in case of a deadly mining accident the crisis management research would probably focus on the organization as the victim, receiving financial and reputational losses – however, outside the organization and its owners, the families of those who lost their lives are probably more likely to be

considered the true victims. In spite of this, the voices of these families might not be strong enough to be heard by the public over the frames offered by the mining company, such as promoting extreme safety henceforth. Scenarios like this create possibilities for other, perhaps unexpected agents to emerge and introduce alternative frames that can potentially gain stronger foothold and response in the public, and thus essentially change the crisis communication discourse (Waymer & Heath, 2007). In the example above, such emergent agent could, for example, be a competing mining company that finds the competitor's struggle beneficial, or the media, constantly on the look for dramatic headlines.

Moreover, according to Waymer and Heath (2007), it is a false assumption that all the affected audiences would share the same mind with the same interests and reactions to the crisis, and that they could be successfully reached and affected with a single strategy. In other words, not even the most carefully crafted communication strategy can take into account all of the possibly negative consequences impacting some stakeholder groups. This opens up a chance for a powerful emergent agent to adopt the viewpoints of marginalized audiences and raise them up as an issue in the public in order to support its own agenda. As stated by Heath (2010), emergent agents keep issues salient.

Drawing from literature on social movement organizations, frames can be considered as biased, social constructions used to affect the interpretations of the many audiences and guide their opinions and actions in ways that support the agenda of the organizations (Benford, 1993; Benford & Snow, 2000). Often frames are used to direct the attention of the audience on some certain aspects while something else is intentionally left unmentioned, which highlights the strategic yet conflict-causing nature of the framing activity, as various actors might end up contesting against each other to push their versions of reality to the same audiences (Benford, 1993; Williams & Benford, 2000).

When choosing appropriate frames for the messages about the strategic change, however, the organization should consider external factors as well: based on their study on German companies, Fiss and Zajac (2006) conclude that organizations are indeed sensitive to the degree of stakeholder exposure and stakeholder power, which results in varying frame choices depending on structural and interest-based factors. For example, greater news coverage leads to greater pressure from the many stakeholder groups and therefore to a greater need for balancing and submission to prevailing social norms and regulations, whereas greater dependence on a single stakeholder leads to greater acquiescence to its demands (Fiss & Zajac, 2006). However, in the case of that single largest stakeholder being governmental, or if the company aims to increase the shareholder value, the balancing frame

is often used to soften the critics from other shareholders and stakeholders (Fiss & Zajac, 2006). Furthermore, Fiss and Zajac (2006) also found out that the usage of balancing framing to find harmony between the interests of the shareholders and other relevant stakeholders was often rewarded with higher share valuation by the financial community. To summarize, framing the communications texts can greatly affect the way the messages are received, and can therefore be considered a strategic tool for strategic communication activities. Indeed, as stated by Heath (2010), facts do not actually matter as much as how they are framed and consequently interpreted by the receiving stakeholders.

2.3.2.2 The social amplification of risks framework and the rhetorical arena

The framework for social amplification of risks (“SARF”) (R. E. Kasperson et al., 1988; R. E. Kasperson, 1992; J. X. Kasperson et al., 2003) acknowledges the complex nature of risk communication that derives from the far larger and diverse group of actors than just the risk communicators, experts and the public. One key notion deriving from this framework is that sometimes the risks that are perceived less likely or harmful by experts might end up receiving even significantly more public attention – in other words, being amplified more strongly within the public sphere – than the risks that are actually considered more likely and harmful by the experts. As an important notion in regards of this case study, the social amplification of risk framework also acknowledges that it is not only the professional risk communicators that play a role in the whole process of risk communication, but also individuals and groups, news media agencies, politicians and other interest groups that can function as amplifiers to the messages. As pointed out by Raupp (2015, p. 523), risk signals in the mass media can lead to drastic changes in the risk discourse and its symbols.

The SARF is a befitting concept to be considered together with that of rhetorical arena – a socially constructed forum in which all communication revolving around a specific case, such as the M&A case analyzed in this study, takes place, and which new actors enter when they want to join the conversation (Frandsen & Johansen, 2010). The concept of rhetorical arena vividly underlines the complexity and the “ripple effect” in risk and crisis communication, which tends to happen when new actors that are not always foreseen and initially targeted by the organization’s messages enter the rhetorical arena and make their own, often contradictory, interpretations of the message. As the *Cartoon affair* (Frandsen & Johansen, 2010) showcased, good intentions of the organization are not always enough in successful crisis communication, if the same messages can be accessed and interpreted by

other public actors with contradicting interests. The concept of rhetorical arena highlights the difficulties of risk and crisis communicators to identify and consider all the relevant stakeholders in a crisis situation – it is even possible that, prior to the communication campaign launched by the organization, they may not have been stakeholders of the organization to begin with. The actors who are left in the margin in the communication might have a very real and serious risk perception, just their voice is not powerful enough to be heard in the public arena – however, exemplifying the social amplification of risk, these risk perceptions can be heard by a powerful actor that is willing to take on their agenda (often to support its own agenda), and thus becomes an emergent agent (Heath, 2010).

Finally, as stressed by J. X. Kaspersen et al. (2003), it is worth noting that the social amplification of risk framework does not suggest a mechanical, causal relationship between the agent and the amplification effect: for example, greater media coverage might end up, but not necessarily, in stronger amplification of the message. This is because the amplifying agents, intentionally or unintentionally, also take into account intangible assets, such as credibility and trust, which is an important and well-acknowledged fact in both risk communication research (e.g. Renn & Levine, 1991; Siegrist & Cvetkovich, 2000) and public relations research (e.g. Chandler, 2014; Laskin, 2011). In conclusion, it seems that the social amplification of risk framework supports the adaptive and emergent approach to crafting risk communication strategy, as some risks simply receive more attention than others, even if it did not appear rational.

2.3.2.3 Symbolic management and consideration of new institutionalism

Strategic change often involves struggles over the perceptions of the new purpose and direction of the organization (Fiss & Zajac, 2006). The success of the strategic change, therefore, does not solely depend on the ability of the organization to implement structural and operational changes, but also on its ability to convince its many stakeholders of the importance and prospective benefits of the new strategy (Smircich, 1983). This is central to establishing organizational legitimacy (Fiss & Zajac, 2006). By engaging in framing activities, organizations offer their own versions of reality to their key stakeholders in an effort to ensure their understanding and support throughout the strategic change (Benford, 1993).

Interestingly, Fiss and Zajac (2006) also note that the actions by the organization do not necessarily always connect with the frames that were used. This finding is in accordance

to Meyer and Rowan's (1977) seminal study on educational institutions, which suggests that, while formally adopting standards and policies to meet with the public expectations, organizations still have the tendency to separate – decouple – these words of conformity from their actual, informal practices that remain more considerate to practicalities. Even if merely symbolic, rather than leading to concrete actions, these words help organizations avoid institutional pressure and need for change yet still maintain legitimacy with the relevant external stakeholders (e.g. Meyer & Rowan, 1977; Westphal & Zajac, 2001).

Furthermore, in their study on the social construction of market value of public companies, Zajac and Westphal (2004) found out that the more companies adopted similar policies, the higher the adoption was valued by the financial market, even despite increasing proves of organizations not actually implementing the policy. The value of adopting a policy is more and more often taken for granted, even prior to any actual change (Zajac & Westphal, 2004), which allows further decoupling activities by organizations. Relating to this thesis, Zajac and Westphal's (2004, pp. 438-439) suggestion that decoupling can be considered a symbolical demonstration of commitment by managers to external stakeholders' values in order to keep the informal practices and control of the company resources within the firm further advocates the idea of decoupling as a managerial tool to navigate through a strategic change amid the pressure from external and internal stakeholders.

As already mentioned, the kind of decoupling activities described above (Fiss & Zajac, 2006; Zajac & Westphal, 2004) are fundamental to the school of thought of new institutionalism (DiMaggio & Powell, 1983; Meyer & Rowan, 1977) that places the pursuit of legitimacy at the very centre of organizational survival in the institutionalized environment: in a business environment crammed with institutions imposing their rules and social norms on all actors within, the survival of an organization depends on not only the economical success of the company, but also its ability to demonstrate conformity with those rules and norms in order to gain and maintain legitimacy. This institutional pressure provides organizations with *templates for organizing* (DiMaggio & Powell, 1991, p. 27), and leads to isomorphism within industries as the organizations face the same environmental constraints and, in their strive for legitimacy, attempt to establish formal structures that help align the organization with the interests of the institutionalized environment (DiMaggio & Powell, 1983; DiMaggio & Powell, 1991; Meyer & Rowan, 1977).

A related concept, corporate social responsibility, reflects the social consequences and the social imperatives of the business operations of an organization. It combines the governmental regulations and societal norms that into social expectations directed at the

organization. CSR can be viewed as a sort of self-regulation, as it guides the actions of an organization to a more societally acceptable direction. Organizations can engage in CSR activities for strategic purposes: by committing actions that go beyond those that are required by law and contribute to social good, the organization can potentially increase its long term profitability, and legitimacy and trust among its stakeholders through positive PR that derive from these actions. Common CSR activities are philanthropic donations and engaging in environmental causes. (Matten & Moon, 2008)

2.4 Improvisation in strategic risk communication – the theoretical framework

The previous subchapters have offered a multifaceted literature review discussing strategic management, change and the strategic imperative of corporate communications, paving the way for a new understanding of risk communication as a strategic communication function that possesses the ability to adapt to changes and looming uncertainties within the external operating environment of the organization (Raupp, 2015; Eriksson, 2014).

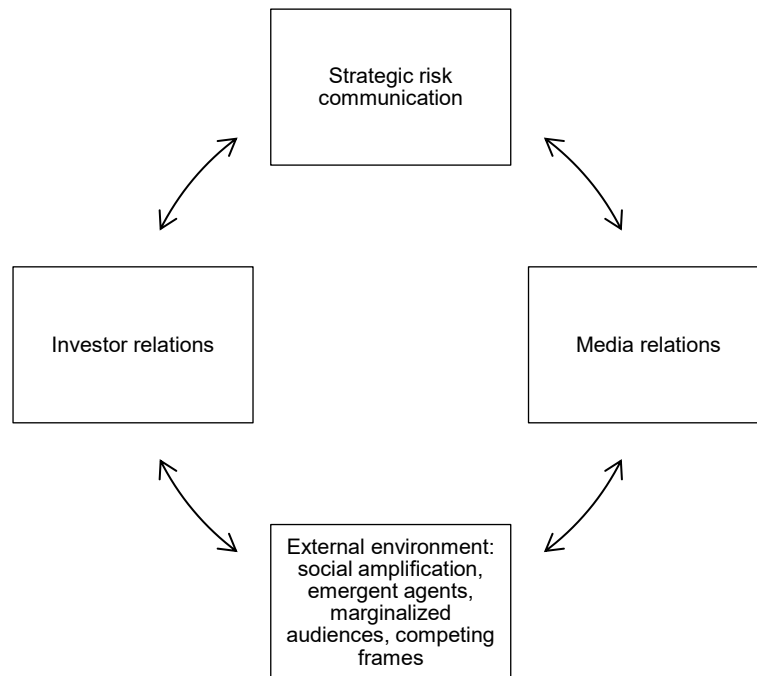


Figure 7. Strategic risk communication employs IR and PR function to scan the external environment in order to adapt the risk communication texts in accordance to the situation at hand, and coherently communicate with the investor community and the general public.

In this theoretical framework constructed for the purposes of this case study, the investor relations and media relations functions are described as strategic communication functions that are employed together by the risk communication professionals in order to first thoroughly scan the external environment to identify potential risk signals, and consequently craft customized yet coherent messages with an integrated strategic approach aligned with the overall organizational strategy, and finally send them to the key constituencies via justified and effective channels (Raupp, 2015; Eriksson, 2014). Reasons for the requirement of increasing improvisation in the risk communication activities of an organization comprise of such factors as uncertainty and unintended consequences (Panayiotou, Putnam, & Kassinis, 2017) and the rapid development of technology that affect especially the professional field public relations (Salzman, 2017; Breakenridge, 2008).

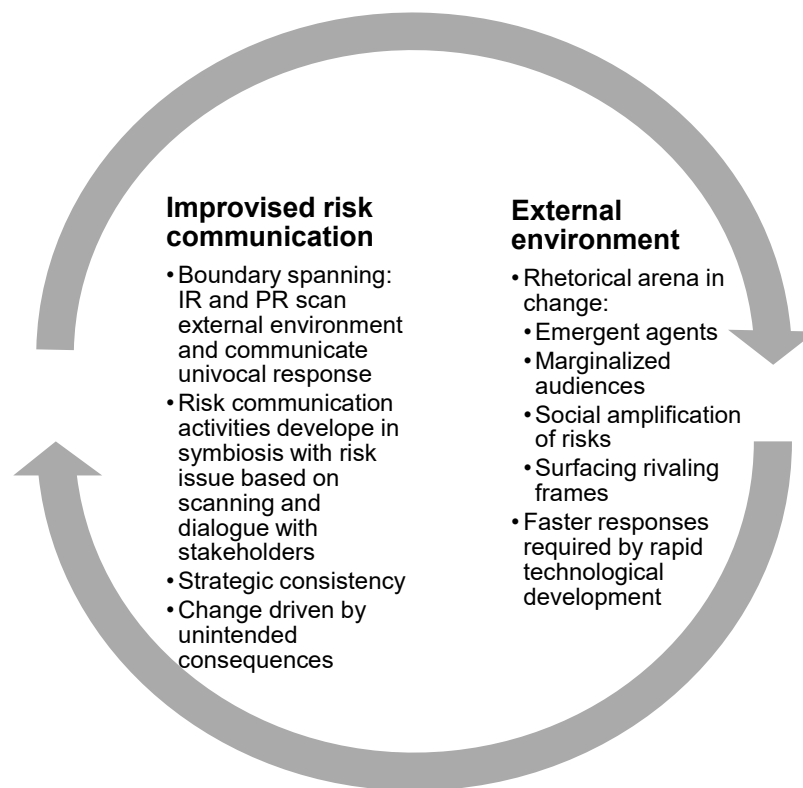


Figure 8. A simplified outline of the key aspects of improvisation in contemporary risk communication as adapted from the established theoretical framework.

In addition, special emphasis was given to certain aspects that were deemed essential concerning risk communication and underlining its strategic nature. The literature on emergent agents, marginalized audiences, rhetorical arena and social amplification of risk

bring forth the complex dynamics involved in the contemporary risk communication. The literature on framing and decoupling offer an understanding of tools commonly used by risk communication professionals to manage in this complex societal setting and influence the essential stakeholders. It has now been established that improvisation is done in cooperation between the IR and PR functions, and in accordance to the situation at hand. Further, the ability to improvise within the framework set by the overall organizational strategy plays a key role in contemporary risk communication and might mean the difference between success and failure. Moreover, by aligning the improvised response with the interests of the broader societal setting, the organization might gain further legitimacy and trust among its key constituencies.

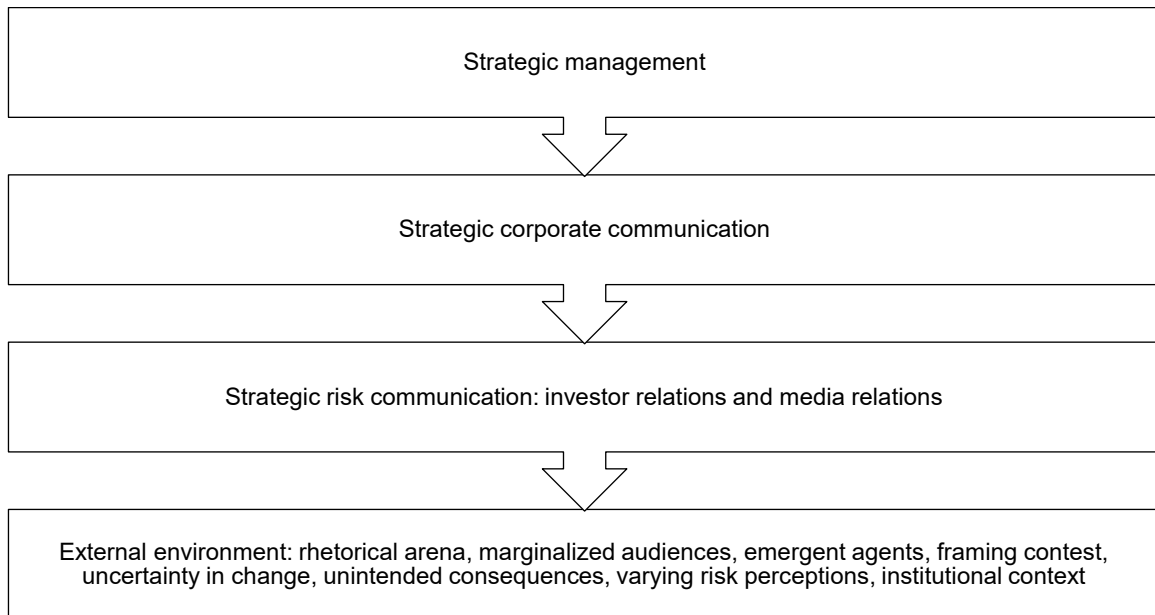


Figure 9. Theoretical framework for improvisation in strategic risk communication as established in the literature review.

Risk management and compliance is an increasingly popular topic for research, as the academia of strategic management has recently realized the extreme significance of risk management for a public company. Operative functions such as IR and PR fit well under this umbrella of risk management and compliance. All in all, this established theoretical framework comprises the theoretical lens through which the case and the phenomenon under study are approached. The theoretical foundations introduced in this chapter ultimately defined the research objective and the selection of data and methodology for this case study.

3 Research methods and data

The purpose of this chapter is to explain the methods and data used in this case study to find evidence of the paradigm shift from mainly deliberate risk communication plans towards increasingly adaptive and emergent risk communication. This assumed shift would allow more agile adjustment of the risk communication plan in accordance to the situation at hand, and still secure the coherence of the messages sent from inside the organization by various functions and, ultimately, help the organization retain its legitimacy. To research this issue, subchapter 3.1 introduces *critical discourse analysis* (“CDA”) and vindicates its use as the research method of this case study.

The diverse research data consisted of mandatory IR texts, discretionary IR and PR texts and some specific miscellaneous texts is exhibited, and the reasoning behind choosing them explained in subchapter 3.2. For the sake of clarity, it must be established that the term *text* is used in a very broad sense, and can refer to written texts such as news and journal articles, press releases and stock exchange releases, or interviews, comments and other videos, or any other published IR and PR material, as well as advertisements, for example. The trustworthiness of this study is considered in the subchapter 3.3.

3.1 Methods

In order to find out whether any level of improvisation exists in the risk communication activities by Fortum in the company’s effort to construct the legitimacy of the planned M&A transaction, the most applicable method deemed to be applying a critical discourse analysis. All available regulatory IR texts and discretionary IR and PR texts published by Fortum and Uniper at around the timeline of the case was gathered to comprise an inclusive pool of research data concerning the M&A attempt. In short, this case study follows the methodological setup of Vaara and Monin (2010), analyzing the micro-level textual elements with a specific interest in the discursive elements used in the texts. After a thorough initial analysis of the obtained research material, it was noticed that various discourses appeared to conform to certain rationales, consequently identified as frames. Frame analysis is a particular causal-oriented and focused version of discourse analysis (Lindekilde, 2014). By applying the methods of Vaara and Monin (2010) to this focused view of discourses as frames (Lindekilde, 2014) for the purpose of this case study, the hypothesized improvisation

as a tool for establishing legitimacy and as a result of dialogue and the appearance of contesting frames could be investigated.

It was found particularly interesting and fruitful to divide the research material into two groups timewise, as it illustrates a considerable change in the richness and sheer number of the messages: first group consists of the texts published prior to the case with Uniper, and the second group consists of the texts starting from – and including – the first official SER that Fortum published on 20 Sep 2017 to announce its takeover intention for the first time (Fortum, 2017). All texts comprising the research data of this study are publicly accessible and are therefore reliable sources.

Critical discourse analysis is an analytical approach concerned with not only particular texts, but also the way these texts interact with and build upon each other in terms of discourses and genres in consideration of the more abstract and structural social level that comprises the context and societal setting for the communication (Fairclough, 2003; Fairclough, 2013). Employing CDA, as outlined by Fairclough (2013), as the research method for this case study allows the exploration of the discourses of the texts collected for analysis, and gives additional attention to how some discourses might assume specific worldviews to be taken-for-granted. This is a fascinating assumption, especially in consideration of this case study, since the case takes place within the highly institutionalized operational environment of the European Union that has, for example, ratified the Paris Agreement to significantly reduce global emissions (European Commission, 2016).

CDA allows the analysis of how powerful actors attempt, through means of language, to push their agenda forward by displaying it self-evident and rational, at the cost of marginalizing and excluding deviating voices (Fairclough, 2003; Wodak, 2001). The same tools also provide this case study with the means to analyze how these marginalized and excluded voices are used by an emergent agent to challenge the initial, dominant views and offer alternative meanings instead, and how the dominant views and those criticizing them draw on each other's discourse as the situation develops. Indeed, using the CDA approach to explore the communication during the case is bound to offer further insight in regard to the research objective of this case study. Moreover, as pointed out by Chouliaraki and Fairclough (2010), CDA is not a fixed set of tools, but rather, it offers a flexible methodological and theoretical framework for analyzing texts in larger social context. In this spirit, this case study builds on the CDA approach outlined by Fairclough (2003; 2013), though the focus is directed on not all, but only some of the many elements introduced in his model for CDA.

Following Fairclough's model (2003; 2013) and the methodological setup of Vaara and Monin (2010), a CDA framework was crafted for the analysis in this case study. It first considers the elements of discourse on the micro-level (textual analysis), and then reflects the findings to the macro-level elements (social analysis). This allows the analysis of the texts from a dialectical-relational perspective, according to which the texts are indeed different, yet still interrelated and build on each other, which – as suggested by Fairclough (2003) – means that the interdiscursivity of the texts can become the locus for struggle and contest. This fascinating view makes Fairclough's model unique, and contributed to its selection as the general framework for the CDA approach put together specifically for this case study.

In more detail, the goal of the micro-level analysis in this case study was set to identify the following three textual elements in all the research data: genres (which texts are mandatory IR publications and which are IR and PR texts solely based on the managements' discretion), voices (who gives the authority for the message) and discourses (how the messages are framed). In accordance to the methods set up by Vaara and Monin (2010), the findings of the micro-level textual analysis are then placed into the broader societal context of the changing energy landscape of the EU for the macro-level societal analysis. Discourse should be looked at as a social practice, and understood not only as what is being said, but also as how it is being said within a certain societal context, since social practices are what people have adopted from the environment and widely accepted as members of the society (Fairclough, 2013). This will help finding reasons for the choices made by the two companies in their effort to legitimize their own views while delegitimizing those of each other's.

3.2 Data

A wide range of texts was included for the in-depth analysis in this case study. First, to discover the identity of the business transaction at hand, the IR texts falling under the ongoing disclosure obligation were collected and analyzed. As a public company just like Fortum, naturally also Uniper had to comment the case – these texts are also included in the research data. In short, the ongoing disclosure obligation requires the disclosure of all such inside information of a precise nature that, if made public, was likely to significantly affect the price of a public security such as the share of the company (Financial Supervisory

Authority, n.d.). Moreover, it is worth noticing that while fulfilling the disclosure obligation and delivering the message, these texts are still subject to managers' discretion in terms of how the disclosed message is framed – this is clearly visible in the research data collected for this case study.

Second, to grasp the true nature of the case, an inclusive selection of discretionary IR and PR texts published by both Fortum and Uniper was collected for the analysis. These texts are solely based on the managers' voluntary disclosure decision, which can be interpreted in a way that they were published to serve a specific purpose to support the company's agenda. The purposes likely derive from the organization's strategy, defined by the management, but they're left unknown to the external audience. Furthermore, this set of texts includes the interviews and direct quotes of the two CEOs, Pekka Lundmark of Fortum and Klaus Schäfer of Uniper, published by two media: an international financial news media Bloomberg News and a German nationwide business news magazine *WirtschaftsWoche*. Far greater number of articles including the voices of the top executives appeared in Finnish, German and international media during the case – they are all considered in the overall in-depth analysis of the case, but left out from the research data as their content was estimated somewhat recursive.

Third, two miscellaneous texts were deemed as related to the flow of this case study, and therefore added to the research data. These miscellaneous texts are a comment by a German trade union *Vereinte Dienstleistungs-gewerkschaft* ("ver.di") that protects the rights of the employees at Uniper, and an article that appeared on a Finnish subscription newspaper *Helsingin Sanomat* and that could not be verified to have been paid by either side despite its somewhat suggestive publishing date and content (see the analysis in Chapter 4). In addition, several advertisements from the two companies appeared on both printed and online versions of certain media, social media and search engines during the case (see Appendix A: "Avoin kirje Fortumin osakkeenomistajille" and Appendix B: "Strateginen kumppani Fortumille"). These advertisements are considered part of the research data.

In order to determine an appropriate time window for the communication texts included in this study, and to minimize researcher's bias, logical deduction was practiced: since Fortum's articulated goal for the takeover offer was only to acquire E.ON's 46.65 % stake in Uniper (although it was added by Fortum that they would welcome anyone else's shares, as well) (Fortum, 2017), and E.ON tendered its Uniper stake to Fortum on 8 January 2018 (Fortum, 2018), a hypothesis can be drawn that the most crucial period of time for Fortum was the initial acceptance period from 7 November 2017 until 16 January 2018

(Fortum, 2017), during which E.ON, in the end, reached its final decision to tender its shares to Fortum. Because of this, the additional acceptance period from 20 January 2018 until 2 February 2018 (Fortum, 2018) appears merely formal. And, perhaps not coincidentally, an in-depth analysis and the publishing frequency of Uniper's communication material suggest that Uniper blew out most of its steam exactly during the initial acceptance period. Therefore, it appears reasonable to exclude any communication text published after 16 January 2018 that marked the ending of the initial acceptance period for the takeover offer. Apart from selected few stock exchange releases and press releases that were published by Fortum prior to Uniper case 2013-2016, and are now used to build a purposeful, coherent construction of the frames used by Fortum in its strategic communication, the collection for the research data is defined to have started on 20 September 2017, when Fortum first published its intentions to become a major shareholder in Uniper.

All in all, 12 mandatory IR texts, 21 discretionary IR and PR texts, and 2 miscellaneous texts as explained above were obtained for this case study, comprising a diverse and comprehensive research data set of 35 texts. In the data exhibit (see pages 42 and 43), the data is labeled in accordance to its verified source: all texts provided by Fortum are labeled as F1-F24, all texts provided by Uniper as U1-U9, and the rest of the texts as M1-M2 (M for Miscellaneous). Though already mentioned above, it must be stressed that a far greater number of communication texts revolving around the case was published by Fortum, Uniper and the media, via the companies' own channels or different media, and despite not being included in the research data exhibited below, they were incorporated into the in-depth overall analysis of the case.

Table 1: Examples of Fortum's communication texts prior to Fortum – Uniper case

Date	Sample ID	Publisher	Genre	Heading of the publication
3 Feb 2016	F1	Fortum	Stock exchange release	"Fortum's new vision and strategic cornerstones; updated financial targets"
27 May 2016	F2	Fortum	Stock exchange release	"Fortum to acquire Ekokem, a Nordic circular economy company"
16 Nov 2016	F3	Fortum	Stock exchange release	"Fortum is putting its growth strategy to work in two phases, significant part of redeployment targeted in the first phase 2016-2017"
21 Dec 2016	F4	Fortum	Press release	"Fortum continues its investments in circular economy by acquiring Turebergs Recycling AB in Sweden"

Table 2: Examples of Fortum, Uniper and miscellaneous agents' communication texts during Fortum – Uniper case

Date	Sample ID	Publisher	Genre	Heading of the publication
20 Sep 2017	F5	Fortum	Stock exchange release	"Fortum intends to become a major shareholder in Uniper – to launch public takeover offer if agreement reached with E.ON regarding its 46.65% share in Uniper"
20 Sep 2017	U1	Uniper	Stock exchange release	"Uniper SE: We have not invited Fortum to make a takeover offer"
20 Sep 2017	M1	Vereinte Dienstleistungs-gewerkschaft ¹	Press release	"ver.di: Arbeitnehmerrechte bei Uniper umfassend schützen" (Transl. "ver.di: Uniper employees' rights are fully protected")
21 Sep 2017	F6	Fortum	Video comment	"Fortum CEO Pekka Lundmark explains agreement regarding E.ON's stake in Uniper" ²
26 Sep 2017	F7	Fortum	Stock exchange release	"Fortum signs agreement with E.ON"
26 Sep 2017	F8	Bloomberg News ³	Interview	"Fortum's CEO Sees Uniper as Investment, Not Takeover"
26 Sep 2017	U2	Uniper	Video	"Uniper employees and the 6 dimensions of diversity"
27 Sep 2017	F9	Fortum	Investor presentation	"Fortum intends to become a major shareholder in Uniper – a powerful combination to drive European energy transition"
6 Oct 2017	U3	Uniper	Advertisement	"Strategic partner for Fortum?" ⁴
6 Oct 2017	M2	Helsingin Sanomat ⁵	News article	"Saksalainen ruskohiilivoimala puksuttaa poskettomasti päästöjä ilmakehään, mutta silti Fortum ostaa sen – Uniper ei vielä ymmärrä, mitä jättikaupalla tavoitellaan" (Transl. "German brown-coal powerplant pollutes the atmosphere tremendously, yet still Fortum buys it – Uniper still cannot understand the rationale behind the gigantic acquisition")
18 Oct 2017	F10	Fortum	Video	"We need a future energy system that is clean, secure and flexible"
26 Oct 2017	F11	Bloomberg News ³	Interview	"Fortum CEO Says No Plans for Uniper Disposals"
1 Nov 2017	U4	Uniper	Advertisement	"Avoin kirje Fortumin osakkeenomistajille" (Transl. "Open letter to Fortum's shareholders")
1 Nov 2017	F12	Fortum	Video comment	"Pekka Lundmarkin viesti Fortumin osakkeenomistajille" (Transl. "Pekka Lundmark's message to Fortum's shareowners")
2 Nov 2017	F13	Fortum	Blog	"Why is Fortum's wind and solar energy a good match with Uniper?"
6 Nov 2017	F14	Fortum	Blog	"Putting Fortum's cash to work – towards a cleaner future with profitable investments"
7 Nov 2017	F15	Fortum	Tender offer	"Offer document"
7 Nov 2017	F16	Fortum	Stock exchange release	"Fortum has published offer document for Uniper shares, acceptance period has commenced"
7 Nov 2017	F17	Fortum	Video comment	"Fortum CEO Pekka Lundmark explains launch of voluntary public offer for Uniper" ⁶
7 Nov 2017	F18	Fortum	Video comment	"CEO Pekka Lundmark explains Fortum's intentions regarding its investment in Uniper" ⁷
7 Nov 2017	F19	Fortum	Advertisement	"A Strategic Partner for Uniper" ⁴
7 Nov 2017	U5	Uniper	Stock exchange release	"Statement Uniper - CEO Klaus Schäfer on Fortum offer"

¹ Vereinte Dienstleistungs-gewerkschaft ("ver.di") is a German trade union, member of which many Uniper employees are.

² Fortum published the same video in English on 21 Sep 2017, in German on 28 Sep 2017, and in Finnish on 16 Oct 2017.

³ Bloomberg News is part of Bloomberg L.P., a privately owned financial and media company headquartered in New York City.

⁴ See Appendix B: "Strateginen kumppani Fortumille"

⁵ Helsingin Sanomat is a large Finnish subscription newspaper owned by Sanoma, a Finnish public company.

⁶ Fortum published the same video in Finnish, English and German on 7 Nov 2017.

⁷ Fortum published the same video in English and German on 7 Nov 2017.

21 Nov 2017	U6	Bloomberg News ¹	Interview	"Uniper CEO on Fortum Offer, German Government"
21 Nov 2017	U7	Uniper	Tender offer	"Joint Substantiated Statement of the Management Board and the Supervisory Board"
21 Nov 2017	U8	Uniper	Press release	"Uniper's Management Board and Supervisory Board recommend their shareholders not to accept Fortum's offer"
21 Nov 2017	U9	Uniper	Press release	"Uniper Press Statements"
21 Nov 2017	F20	Fortum	Written comment	"Comment on the Reasoned Opinion of Uniper published today"
21 Nov 2017	F21	Fortum	Video	"We need a future energy system that is clean, secure and flexible" ⁸
23 Nov 2017	F22	WirtschaftsWoche ⁹	Interview	"Vorzeitiger Kohleausstieg in Deutschland kein Problem" (Transl. "Early exit from the use of coal is not a problem")
8 Jan 2018	F23	Fortum	Stock exchange release	"E.ON tenders its Uniper shares to Fortum's offer"
19 Jan 2018	F24	Fortum	Stock exchange release	"46.93% acceptance of Fortum's Uniper-offer - additional acceptance period to commence"

3.3 Trustworthiness of the study

This research is conducted by analyzing a wide range of texts selected as research data and interpreting the findings to find the answer to the stated research question (see subchapter 1.1), which makes this a qualitative research. As a qualitative research, also this case study must answer to certain questions regarding its trustworthiness. These questions point out concerns over credibility, transferability, dependability and confirmability of the study (Bell, Bryman, & Harley, 2018). For example, the collection and interpretation of the research data might be affected too much by the researcher's bias, the research might be too unstructured or the choice of methods too untransparent, to allow adequate replication or generalization of the study (Bell, Bryman, & Harley, 2018, pp. 374-375).

This case study is based on publicly accessible material only. Furthermore, since in the focus of the study are the texts of external communication by the case company Fortum, researcher's bias did not affect the selection of the research material as this choice was essentially made by the case company itself when it published the texts. The same reasoning applies to the texts of Uniper, the conversation partner and M&A target of Fortum. Further, all media texts selected for the study are publicly accessible and, despite having been published by a wide range of domestic nationwide (Finnish and German) and international (Bloomberg) media, still carry arguments that appear consistent with each other or the messages by either Fortum or Uniper, thus providing the media in this case an unambiguous and believable voice. Choosing an ample selection of media texts within the scope of this

⁸ Fortum published the same video in English and Finnish on 21 Nov 2017, and in German on 5 Dec 2017.

⁹ WirtschaftsWoche is a weekly published German business news magazine owned by Handelsblatt Media Group.

case study would not introduce any new frames, and would therefore not affect the results of this study.

In the light of the research objectives defined in subchapter 1.1 and the obtained data displayed in subchapter 3.2, logical tools for the analysis phase were chosen (see subchapter 3.1). To provide the study with further transparency and prove its consistency, the process for choosing the rhetorical frames for the CDA analysis is explained in detail in subchapter 4.2. In short, three main themes in Fortum's communication were identified as the initial frames used by Fortum in its communication about the takeover attempt. All frames are left exactly the same way the company itself brought them up. The same applies to the frames identified in Uniper's communication. Undeniably, the analysis of the themes appearing in the research data naturally involved personal interpretation, but as already explained, this was attempted to be kept at minimum by adopting the rhetorical frames straight from the texts published by the two companies, and with consideration of the theoretical framework. Furthermore, in the analysis phase, all themes identified in the research data are illustrated with a direct quote of the sentence bringing up the theme.

Finally, it must be stated that by no means does this study attempt to take the side of either Fortum or Uniper, or that of the general public or media, or any other stakeholder group or other entity. Criticizing any action of any actor during the merger process is not the aim of this case study, either. Quite on the contrary, the study might unintentionally provide explanations for the choices made by the actors involved in the case. This research work merely attempts to shed more light on the intriguing characteristics and requirements of contemporary risk communication by employing the M&A case between two companies, Fortum and Uniper, as the source material.

In consideration of the facts established above, it can be concluded that this case study lacks excessive researcher's bias, and that it can be replicated and its argumentation and interpretations challenged by anyone who wishes to do so. Regrettably, representing only one case, the findings of this study should be considered only suggestive and therefore, common to qualitative research, it is ultimately up to the reader to determine if these findings can be transferred to other cases and contexts. Nevertheless, this case study and its findings provide any similar case with a qualified point of reference and a consistent set of methods and process for analysis.

4 Findings

The prior chapters have established that improvisation in risk communication in accordance to the situation at hand and the organizational strategy is a vital skill of an organization in contemporary setting characterized by rapid technological advance (see e.g. Raupp, 2015; Eriksson, 2014; Breakenridge, 2008). Framing as one tool commonly used in external communications to influence the key constituencies has been introduced and its applicability to serve the ends of risk communication argued for (see e.g. Fiss & Zajac, 2006; Moufahim, Reedy, & Humphreys, 2015; Williams & Benford, 2000). Inspired by the notions by Chandler (2014), also the voices used in the research material are analyzed.

All in all, there are 35 texts are included in the research data exhibit (see subchapter 3.2) for this case. However, a much greater number of communication texts related to this very case was published by all participants: Fortum, Uniper and the media. Indeed, the rationale behind exhibiting those specific 35 texts is not its perfect inclusivity of all the case communication texts, since it clearly is not the case, but rather, it intends to show to the reader the fascinatingly wide range of genres was used in this communicative case, and how they are positioned in relation to each other on the chronological timeline. In the separate analyses below, the results of analyzing the 35 texts or those that come on top of them are not all shown – rather, the most intriguing examples are selected and placed and further scrutiny of the reader.

This chapter is collated following Fairclough's model (2013; 2003). The model is explained in detail in subchapter 3.1, but to repeat in short, the discursive elements of the research material are analyzed on three level: the micro-level (textual analysis), the meso-level (interdiscursive analysis), and the macro-level (social analysis). Each of these three levels is analyzed separately, to allow easier tracking of the analysis in order to increase the transparency of the study.

The aim of the analysis is to find the answer to the main research question (RQ 1), introduced in subchapter 1.1. As a reminder, the main research question is quoted below:

***RQ 1:** To which extent, if any, does the deliberate change communication strategy of an organization adapt to or emerge from the looming uncertainty with characteristics of risk and crisis, brought about by the reluctance of the target of the M&A transaction?*

4.1 Enter the emergent agents and marginalized audiences

Basing on the concepts of marginalized audiences (Heath, 2010), emergent agents (Heath, 2010; Waymer & Heath, 2007), social amplification of risks (Kasperson, Kasperson, Pidgeon, & Slovic, 2003; Kasperson R. E., 1992; Kasperson, et al., 1988) and rhetorical arena (Frandsen & Johansen, 2010) introduced in the literature review, an important finding was made in regard to this study: on 20 September 2017, meaning the very same day that Fortum first published its intention to acquire a major stake in Uniper, a German trade union ver.di published a press release expressing their concern over the fate of Uniper employees (see the research data exhibit in subchapter 3.2). Therefore, let us draw a hypothesis that the employees of Uniper exemplify as a marginalized audience.

Certainly, as the first analytical phase clarifies, Fortum mentioned several times the Uniper employees in its case-related communication, starting from even the very first communication text published on 20 September 2017, but how about Uniper? Coincidentally or not, one of the most commonly used frames by Uniper in its takeover-related communication texts is exactly the uncertainty of future that Fortum would bring on the Uniper employees, should the transaction be executed. In this light, Uniper can be seen as an emergent agent taking on a concern of a marginalized audience whose voice would not be otherwise properly heard.

Another audience that could be suggested to have been marginalized in Fortum's communication regarding the case is the group of stakeholders that are genuinely concerned with Fortum's direction in regard to environmental issues. Sure, already in its very first stock exchange release published on 20 September 2017, Fortum claims that the investment supports Fortum's ambition to drive the energy transition towards more renewable generation, but what guarantees do the stakeholders of Fortum have? Speculatively, as the theory goes, an organization might decouple its actions from the frames it uses in its communication, in order to allow themselves more space for operating while still conforming with the public expectations (Meyer & Rowan, 1977; Fiss & Zajac, 2006; Westphal & Zajac, 2001). However, please note that this case study intends in no way to imply that the claim would hold true in this case.

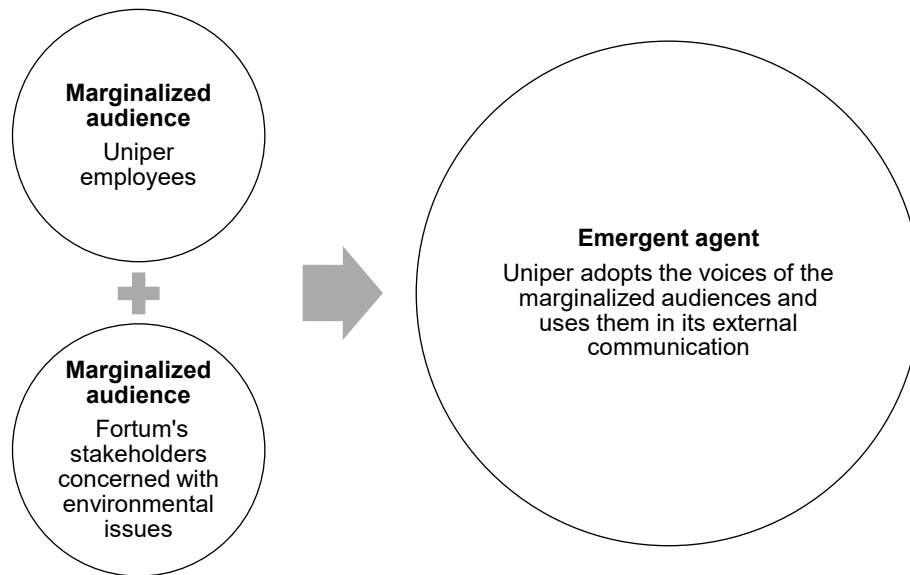


Figure 10. The emergent agent identifies voices of the marginalized audiences and uses them to benefit its own agenda. This also exemplifies how the risk can be socially amplified (SARF).

However, since especially among the shareholders of Fortum who have their own money on the line, the perceptions of risk easily intensify during a case such as this, it is understandable that they need something more than mere words in stock exchange releases. This is where trust and the use of different voices come into the picture – as a rule of thumb it could be simplified that the more important the message to be delivered is, the higher ranked person should lend their voice in the communication. That is, if trust and legitimacy are what the organization is after (e.g. Chandler, 2014; Renn & Levine, 1991). This is also a reason to include voices in the micro-level analysis of the research material.

4.2 Ready, set, frame – the micro-level discursive analysis

It has been argued that organizations rely more and more on organizational identity to attract support of their stakeholders for their existence and actions, among other goals (Morrill, Zald, & Rao, 2003). Logically, this only happens if the organizational identity is aligned with that of its stakeholders. Organizational leaders may use persuasive discourses, rhetorics (Golant & Sillince, 2007), when interacting with each other or any outsiders in their attempt to capture the identity of the stakeholders of the organization. Moreover, using such rhetorics does not only aim to further validate the organization itself, but also to invalidate any possible counter-rhetorics targeted at its stakeholders by other actors (Moufahim, Reedy, & Humphreys, 2015). With all this in mind, it is time to take a good look at the first sub question

(RQ 1.1) that will help find the answer to the main research question (RQ 1). As a reminder, the first sub question is quoted below:

***RQ 1.1:** How does the case company frame its messages of change communication in terms of context, content and stakeholders? Are the messages informative, educational or dialogical?*

It can be assumed that Fortum chooses the kind of rhetorics that its stakeholders – at least the most important ones from Fortum’s point of view in regard to the M&A case – are likely to identify with and, as the result, give their support to Fortum in its endeavor to acquire Uniper. And, since it has now been established that the organizational identity truly matters when the organization seeks approval for its actions from its stakeholders, it comes across only reasonable to draw a hypothesis that the vision and mission of the organization – what the organization hopes to achieve in the future and how it plans to make it happen – together contribute a great deal to the identity of the organization and, therefore, act as perhaps the most salient rhetoric in the communication of the organization. Hence, the very first rhetorical frame picked for the analysis phase of this case has to be the latest combined vision and mission statement published by the case company Fortum before the case officially began: *For a cleaner world* (see the quote from Fortum’s Annual Report 2016 below).

*Our updated vision – “**For a cleaner world**” – goes beyond just clean energy production, it expresses our commitment to fuel and resource efficiency and how we enable our stakeholders, customers and society to make sustainable choices. --- In our mission we state that “**we engage our customers and society to drive the change towards a cleaner world.**” In saying so, we invite all our stakeholders – society, our employees, our shareholders and our partners – to join us in the change.*

Pekka Lundmark, the President and CEO of Fortum (Fortum, 2017, p. 2).

Some other rhetorical frames with significant salience in Fortum’s pre-case communication were identified, as well. First of all, ever since the major strategic assessment in 2013 (Fortum, 2013) leading to the divestment of Fortum’s power distribution business and essentially the Caruna case that stirred up quite a public ruckus (see subchapter 1.2), Fortum has consistently been repeating that its motive for doing so was to strengthen its balance sheet and prepare for future growth and possibilities for higher value creation. It can be expected that now, after finally finding a large enough target for acquisition to make up

for the lost profits from the divested power distribution networks over the years, Fortum would like to use the financial prospects of the M&A as one of the main rhetorical frames in its communication. Indeed, as the quote below shows, “strong financial rationale” is one of the arguments used by Fortum in its very first SER about the possible acquisition of Uniper:

The investment would deliver on Fortum's previously announced, disciplined capital redeployment strategy and investment criteria. Uniper's businesses are well aligned with Fortum's core competencies, are close to Fortum's home markets and are highly cash generative.

Fortum about the reasons for the intention to acquire Uniper (Fortum, 2017)

Another rhetorical frame that seems to appear often is how complementary the businesses of Fortum and Uniper are. Since Fortum gave the name *Powerful combination* to the official website for all the legally required tender offer documents and other related material that Fortum has published, and a slogan *A powerful combination to drive European energy transition* is displayed on the frontpage of that website, it would be awkward to not point it out as one of the most salient and therefore important rhetorical frames used by Fortum in its M&A communication.

Uniper's stated role as the provider of security of supply would be an excellent match with Fortum's ambition to accelerate the energy transition with increasing renewable generation and innovative solutions. Both are needed to make the change happen and each plays a crucial part as Europe transitions from a conventional to a cleaner and more secure energy future.

Pekka Lundmark about the combination of the businesses of Fortum and Uniper (Fortum, 2017)

Since all the rhetorical frames highlighted and introduced above appeared, in one way or another, in the SER that Fortum published on 20 September 2017 to announce its intention to become a major shareholder in Uniper for the very first time, unanimity can be established on the fact that these are the initial frames that Fortum decided to utilize in order to successfully go through with the planned acquisition of a significant proportion of Uniper's shares. Demonstrating this fact was of paramount importance for the whole case study, as the analysis phase involves the comparison of these frames with all those appearing in the research data published afterwards.

Regarding the identified Fortum's frames, it is worth noticing that these frames probably did not just magically appear into the communication texts published by Fortum during the case. Instead, their consistency suggests that they have been derived straight from the organizational strategy and its update announced by Fortum in 2016 (see the case information in subchapter 1.2). The frame "For a cleaner world" consists, above all, of the argument that especially the energy sector, as a major polluter, must pursue more sustainable solutions and increase the proportion of renewable energy sources in the production in order to fight the climate change. The second frame "Strong financial rationale" reaches out to especially the investors and shareholders of Fortum, including such strategic statements as creating value by utility industry consolidation, and securing a sustainable, over time increasing dividend. The third frame "A powerful combination to drive European energy transition" can be interpreted as a combination of driving industry transformation, fighting the climate change and securing the financial side of the operations, all mentioned in the published strategy.

The fourth frame identified in Fortum's case communication concerns the future of the Uniper employees and the location of Uniper's headquarter. This frame will appear consistently throughout Fortum's communication, and therefore it can be argued to be a must-have frame for the analysis. For the sake of this analysis, the fourth frame used by Fortum is named simply as *No forced redundancies or relocation of Uniper's corporate seat*. The SER is quoted below. These four frames employed by Fortum in its very first case-related SER published on 20 September 2017, are considered the only frames of Fortum's deliberate risk communication strategy. All frames are exhibited in Table 3.

Fortum fully acknowledges the integrity of existing employee rights and has no intention to cause Uniper to implement forced redundancies in connection with the discussed transaction or for Uniper to change its corporate seat away from Düsseldorf, Germany.

Fortum's stock exchange release published on 20 September 2017 (Fortum, 2017)

Next, the attention is turned on the second sub question (RQ 1.2), answering to which will bring solving the main research question (RQ 1) yet another step closer. The aim of RQ 1.2 is to establish it as a fact that Fortum was not alone in the rhetorical arena where the communication about the case happened. Indeed, as it perhaps already could have been inferred based on the research data in subchapter 3.2, or the case information in subchapter

1.2, Uniper is this “other actor” – it became very apparent already during in the initial analysis of the research materials. As a reminder, the second sub question is quoted below:

***RQ 1.2:** Are there any other actors in the rhetorical arena who attempt to shape the risk perceptions of the stakeholders by suggesting alternative frames in their communication? Are the messages informative, educational or dialogical?*

The task of identifying Uniper’s frames is somewhat straightforward and given. On 21 November, the CEO of Uniper Klaus Schäfer himself presented three main arguments to the reader in a form of a numbered list, a rather powerful discursive choice, in one of Uniper’s press releases commenting Fortum’s takeover offer that was published on 7 November 2017. The three discourses are, from this point onwards, considered Uniper’s frames (Lindekilde, 2014) that it deliberately used in its communication. Furthermore, it can be argued that all these frames exist in support of one “master” agenda: Uniper considers Fortum’s takeover offer hostile, and therefore uses different frames to argue against it. The frames are directly quoted below, and further explained below the numbered list.

1. “The offer is economically unattractive”
2. “Fortum does not offer an appreciable strategic benefit for Uniper”
3. “Key questions on the future of Uniper remain unanswered”

The first frame used by Uniper covers the financial rationale of the takeover offer. As stated by Schäfer himself, Uniper considers Fortum’s offer simply not economically attractive for the following reasons: it provides no value added to Uniper, but risks Uniper’s credit rating, and lastly, the offer price was below the share price at that time. The second frame covers the strategic rationale of the case from Uniper’s point of view – Schäfer claims it does not exist to an adequate extent to argue for the acquisition. In fact, Uniper’s fossil energy generation business argues more against it than for it, in Schäfer’s words. The third frame brings forth the concerns of the employees and investors of Uniper, excluding E.ON. The main message of Uniper’s frame number three is that the Fortum had not yet signed any binding commitments regarding the issues such as the future planned structure for Uniper’s governance and business operations, and whether or not Fortum will implement redundancies on the employees of Uniper after reaching the position of being the majority shareholder of Uniper.

In this case study, the media is considered merely as a public arena where powerful actors, such as the CEOs of international listed companies, can engage in a struggle over organizational legitimacy and challenge each other. Indeed, an in-depth analysis showed that numerous news articles carrying the voices of both CEOs were published across the country borders during the case by Finnish, German and international general and business news media. In addition to the voices of the two CEOs, especially Uniper's CFO's voice appeared extraordinarily often and in various media, yet always in sync with the voice of Uniper's CEO.

In conclusion, the following table can be drawn to summarize the identified frames employed by Fortum and Uniper in their communication related to the case:

Table 3: Frames for the analysis

Introducing party	Frame
Fortum	"For a cleaner world"
Fortum	"Strong financial rationale"
Fortum	"A powerful combination to drive European energy transition"
Fortum	"No forced redundancies or relocation of Uniper's corporate seat"
Uniper	"The offer is economically unattractive"
Uniper	"Fortum does not offer an appreciable strategic benefit for Uniper"
Uniper	"Key questions on the future of Uniper remain unanswered"

Having established the necessary frames for the analysis phase, it is time to begin the analysis. First, in phase one, the research data will be analyzed on micro-level – that is, in terms of the textual elements that appear in the texts. Since the ultimate publicly announced aim of Fortum is to "become a major shareholder in Uniper" (Fortum, 2017), the goal for Fortum's communication can be seen as appearing legitimate enough in the eyes of E.ON, the seller with whom Fortum already has an initial agreement, and Fortum's own shareholders, the one audience that has the power to make Fortum withdraw its plans. Uniper's shareholders, excluding E.ON, are clearly communicated by Fortum as only a secondary target for the acquisition – the voluntary takeover offer was mandated by law as a result of Fortum acquiring E.ON's 46.65 % stake – although Fortum did stress that it welcomes any other shareholder to sell their shares to Fortum, as well (Fortum, 2017). In accordance to the theoretical framework established for this case study, and keeping in mind Fortum's main goal of pursuing legitimacy in the eyes of the right stakeholders, the textual analysis of the obtained research data focuses on the frames and voices used in the texts.

Furthermore, in order to avoid any kind of discussion between the material during this first phase of the analysis, which could potentially lead to a purposeful search for specific frames and therefore endanger the credibility of this study, the research data is divided into three groups that are analyzed independently of each other. After the micro-level analysis has been conducted on each separate group of texts, the results are combined into one “master” table to make it easier to spot potential interrelations of the texts.

There are two additional aspects that must be noted before conducting the micro-level analysis. First, for the micro-level analysis of Fortum’s texts, only the frames communicated by Fortum itself are considered. Therefore, there are only four frames listed in the analysis table. And second, this analysis table does not mean to display the results of micro-textual analysis of all the communication material published by Fortum during the case – instead, it only presents the results of a few selected texts, that were deemed the most intriguing from the perspective of this case study. The latter remark applies to the two other tables displaying the results of the micro-level CDA analysis, as well. An in-depth analysis of the material published by the two companies and Finnish, German and international media was conducted, after which the most fascinating and exemplary samples were determined. These texts are now displayed in the two tables (tables 4 and 5) below to introduce the findings of the micro-level analysis. Findings of the analyses are placed below the table that introduces that analyzed texts. For instance, the findings based on the analysis of the data displayed in table 4 are conveniently located right below the very same table.

Table 4: Micro-level discursive analysis of Fortum’s texts

Date	Sample ID	Voices	“For a cleaner world”	“Strong financial rationale”	“A powerful combination to drive European energy transition”	“No forced redundancies or relocation of Uniper’s corporate seat”
3 Feb 2016	F1	President and CEO Pekka Lundmark	“Our new vision - the forerunner in clean energy - ties all these themes together.”	“Fortum strives to create value by driving utility industry consolidation and restructuring through transformational mergers and acquisitions in its current home markets and in the integrating European market.”	“Our strong net cash position provides us a unique opportunity to grow and take a proactive role in driving the industry transformation.”	
27 May 2016	F2	President and CEO Pekka Lundmark & CEO Karri Kaitue (Ekokem)	“I believe Fortum’s circular economy strategy will be developed based on the Ekokem platform.”	“We see excellent international growth opportunities for the business and intend to invest in the further development of Ekokem’s solutions”	“Supported by Fortum’s competence in waste-to-energy and strong financial resources, a true Nordic circular economy champion will be formed.”	

20 Sep 2017	F5	President and CEO Pekka Lundmark	"Uniper's power plants and gas assets have an essential role in providing security of supply and affordable energy as Europe transitions towards low emission energy."	"The investment would deliver on Fortum's previously announced, disciplined capital redeployment strategy and investment criteria. Uniper's businesses are well aligned with Fortum's core competencies, are close to Fortum's home markets and are highly cash generative."	"Uniper's stated role as the provider of security of supply would be an excellent match with Fortum's ambition to accelerate the energy transition with increasing renewable generation and innovative solutions. Both are needed to make the change happen and each plays a crucial part as Europe transitions from a conventional to a cleaner and more secure energy future"	"Fortum fully acknowledges the integrity of existing employee rights and has no intention to cause Uniper to implement forced redundancies in connection with the discussed transaction or for Uniper to change its corporate seat away from Düsseldorf, Germany."
26 Oct 2017	F11	President and CEO Pekka Lundmark	"We are not basing this investment case on the assumption that coal would need to be run as long as possible. Most European countries will be publishing from the political side time schedules as to how quickly they will want to phase out coal and we are obviously going to be fully committed to whatever those time schedules are."	"We are looking at this as an investment, not as a restructuring case." "So we see this portfolio being extremely competitive in many different scenarios depending on how the European energy policy will go."	"What I want to point out though is that 70 per cent of Uniper's 38 gigawatt production portfolio, which is a very large portfolio is something else than coal. They have almost as much CO2 free hydro production as Fortum has today. So we see this portfolio being extremely competitive in many different scenarios depending on how the European energy policy will go."	"We have no plans whatsoever for any other asset disposals. We are not in discussions with any third parties about any of the assets."
1 Nov 2017	F12	President and CEO Pekka Lundmark	"As Europe is transferring towards low-emission energy production, we must secure the supply of energy also when it's not windy, or the sun doesn't shine."	"We believe that investing in Uniper will generate good dividend to our owners."	"Water and gas fit the transition towards low-emission energy production very well, and Uniper has plenty of them."	"Unlike Uniper tells in its publications, Fortum is not in the process of hostile takeover of Uniper."
7 Nov 2017	F18	President and CEO Pekka Lundmark		"We feel that our investment will be beneficial for both companies, regardless of the amount of shares we receive."	"We are investing in Uniper because it is a great company and an excellent strategic fit for Fortum."	"1. We are committed to protecting the interests of Uniper employees. 2. As a firm, we have a longstanding track record of trusting and constructive relationships with our employees and their representatives. 3. As an investor, even as a large investor, we are not in a position to decide on redundancies, the location of Uniper's Headquarters or any other arrangements that Uniper management has agreed to with their employees."
21 Nov 2017	F20	President and CEO Pekka Lundmark				"We look forward to developing a constructive dialogue with Uniper's management team on co-operation possibilities which we believe are substantial and could benefit Uniper and Fortum stakeholders alike, and to formalize the commitments which we previously set out in our offer document."
21 Nov 2017	F21	-	"The return on invest will allow us to increasingly invest in renewable energy"		"Together Fortum and Uniper will play an important role in building a sustainable energy system"	

To exemplify the micro-level analysis of Fortum's communication texts, eight samples were chosen to be placed on display in table 4 above. Two first texts, F1 and F2, are from the time prior to Uniper case. Their function in the exhibit is to demonstrate how Fortum's M&A communication has followed the overall strategy very carefully: F1 is the SER in which Fortum established the strategic cornerstones that were the basis for the frames identified in Fortum's communication during the Uniper case, as well. F2 is a SER announcing a significant M&A news, and it contains all three frames derived from the organizational strategy (F1). The President and CEO Pekka Lundmark is the voice in both SERs – however, in the many smaller M&A transactions, those not big enough to fall under the ongoing disclosure obligation of IR, only voices of operative management were used.

F5 is the first SER officially announcing Fortum's intention to acquire a major stake in Uniper. Given the undoubtedly important nature of the message, it is not surprising that Lundmark's voice was used in it. Further, also this M&A-related news consists of a coherent body derived from the strategy – all three prior frames appear in it, and in addition, a new frame is added: "No forced redundancies or relocation of Uniper's corporate seat". It is worth noticing, that this new frame was introduced already before Uniper published a single text to comment the case.

Between F5 and the next sample, F11, there's a blank of more than one month in the exhibit in table 4. It does not mean that any case-related communication was not published during that time, however those samples were deemed less purposeful in the attempt of this case study to demonstrate the turns of events. It can be seen from the research data exhibit in Chapter 3.2, though, that during that time a wide range of texts was published by both sides. Some of these texts are discussed in the micro-level analysis of Uniper's texts. Earlier, on 26 September 2017, Lundmark had explained at an interview with Bloomberg (F8) that Fortum does not consider the takeover offer hostile, and one day later Fortum published an investor presentation that clearly aligned the acquisition intention with the overall strategy of Fortum.

The next sample analyzed is another video interview with Bloomberg (F11), this time with Lundmark denying straightforward any plans for Uniper disposals. In this interview, Lundmark used all four frames, and judging by the title of the video, it appeared imperative for Fortum to make sure that the viewers hear that Fortum really planned no Uniper disposals. On 1 November (F12), Fortum published Lundmark's video comment regarding the media attack on Fortum by Uniper. In his speech, all four frames were used. On 7 November 2017, only moments after publishing the voluntary takeover offer, Fortum

published another video comment (F18) with Lundmark's voice and a title "CEO Pekka Lundmark explains Fortum's intentions regarding its investment in Uniper". Curiously, this text included all frames but the one derived from the company's mission and vision, "Join the change". Instead, it had many paragraphs and even a numbered list, a powerful discursive tool, discussing how Fortum is committed to the employees of Uniper and does not plan to move the corporate seat away from Germany.

On 21 Nov 2017, Fortum published Lundmark's comment (F20) considering the Reasoned Opinion of Uniper that was published earlier that day. This comment was short, and actually only commented to Uniper's frame about the uncertainty of the future of Uniper, expressing Fortum's hope to start cooperating with Uniper. Finally, the last text published by Fortum and analyzed here is the short promotional video (F21) published on YouTube on 21 Nov 2017. Actually, it was published on that date in Finnish and English, and a German version followed on 5 December 2017. The heading of the video was "We need a future energy system that is clean, secure and flexible", and it used the frames "Join the change" and "Powerful combination". No voice was used.

Table 5: Micro-level discursive analysis of Uniper's texts

Date	Sample ID	Voices	"The offer is economically unattractive"	"Fortum does not offer an appreciable strategic benefit for Uniper"	"Key questions on the future of Uniper remain unanswered"
20 Sep 2017	U1	CEO Klaus Schäfer		"This unsolicited takeover offer is clearly not in line with the strategy of Uniper as recently reiterated publicly."	
26 Sep 2017	U2	Uniper employees			"We are all different and can learn from each other."
6 Oct 2017	U3	-		"Strateginen kumppani Fortumille?" (transl. "A strategic partner to Fortum?")	
1 Nov 2017	U4	CEO Klaus Schäfer	"Fortum is most obviously pushing its financial limits in this acquisition, the price of which might rise even above EUR 8 billion. This can affect the company's credit rating and growth opportunities."	"Uniper's businesses are quite limited in terms of complementing Fortum's businesses."	
21 Nov 2017	U6	CEO Klaus Schäfer	"The offer price is simply not attractive."	"There's limited strategic benefits for us in Uniper."	"There's unclear intentions in terms of what Fortum really wants to do."
21 Nov 2017	U8	Chairman of Supervisory Board Dr. Bernhard Reutersberg, CEO Klaus Schäfer, CFO Christopher Delbrück	"1. The offer is economically unattractive."	"2. Fortum does not offer an appreciable strategic benefit for Uniper."	"3. Key questions on the future of Uniper remain unanswered."

Next, a few specific case-related communication texts published by Uniper are analyzed. The first text is a SER (U1) that Uniper had to publish on 20 September 2017 right after hearing about Fortum's intentions. This was only a short text, but it was signed by the

CEO Klaus Schäfer, and it did use the frame “Fortum does not offer an appreciable strategic benefit for Uniper”. This was merely the kickstart for the case. On 26 September 2017, Uniper published a video (U2) on YouTube, promoting the diversity of its employees. The connection is not 100 % clear, but the text can be argued to use the frame “Key questions on the future of Uniper remain unanswered”, with specific interest in the future of the employees at Uniper.

On 6 October 2017, Uniper launched an advertisement campaign in the Finnish online and print news media against Fortum. The campaign consisted of at least an online and print media advertisement presenting a picture of a fossil power plant and Uniper’s logo, asking the reader “A strategic partner for Fortum?” (U3, see also Appendix B: ”Strateginen kumppani Fortumille“), and, arguably also paid by Uniper, a rather promotional-looking news article (M2) with Uniper’s CEO Klaus Schäfer’s voice and a clear agenda of undermining Fortum’s intentions. However, it could not be verified whether or not it was a promoted story. A similar advertisement was spotted on Kauppalehti on 16 October 2017, too (see Appendix B: ”Strateginen kumppani Fortumille“).

On 1 November 2017 Schäfer of Uniper was back at it: he published an open letter in Finnish (an advertisement, see Appendix A: ”Avoin kirje Fortumin osakkeenomistajille”) to shareholders of Fortum (U4), warning them about the many potential negative effects of the acquisition. This letter was a one page advertisement that appeared on 10 major Finnish general newspapers, one of those newspapers being the largest newspaper in Finland, Helsingin Sanomat. This advertisement was not directed at Uniper’s employees or investors, so the use of frames did not synchronize too well with the frames identified in Uniper’s other case-related communication. However, Schäfer did mention the limited strategic complementarity of the businesses of the two companies, and suggested that the deal might be bad in financial terms to the shareholders of Fortum, as well.

From the materials published on 21 November 2017 by Uniper, two were chosen for this exemplary analysis: U6 and U8. The former text was Schäfer’s video interview with Bloomberg, and the latter one a press release by the Management Board and Supervisory Board of Uniper to recommend the shareholders not to accept Fortum’s offer. Schäfer had the exact same message to deliver at the Bloomberg interview, too, just now the arena changed from that of the company’s own website to a public media arena.

In order to provide the reader with more illustrative review of the chronological use of frames by Fortum and Uniper in the case-related communication, the Table 6 below consists of the texts analyzed above and represents all the findings of the micro-level analysis within

one table in chronological order. “X” marks the frames used in the specific texts. The following commentary of the combined results of the exemplary analyses, represented in Table 6, is further accompanied with consideration of all other communication materials published by Fortum and Uniper that were deemed related to the M&A case. Now, it is a good time to go back to the third sub question (RQ 1.3) that was crafted to shed more light on the main research question (RQ 1) by investigating if the weight or frequency of any deliberately used frame or voice undergo any significant changes during the case, or any new ones appear. As a reminder, the third sub question RQ 1.3 is quoted below:

***RQ 1.3:** Does the weight or frequency of any specific frame or voice deliberately used by the case organization noticeably change as the case progresses, as in a possible reaction to occurrences in the external operating environment? Do any new frames or voices appear in, or previous frames disappear from, the messages of the case organization?*

As can be seen, Fortum was very consistent in its use of voices throughout the case. Apart from a few exceptions, such as the promotional video without any individual’s voice (F21) published on YouTube in English and Finnish on 21 November 2017 and in German on 5 December 2017, and two official corporate blogs (F13, F14) published on 2 November 2017 and 6 November 2017 that used the voices of Kari Kauttinen, the Senior Vice President at M&A and Solar & Wind Development, and Markus Rauramo, the Chief Financial Officer, the only voice that was constantly present was that of the CEO and President of Fortum, Pekka Lundmark.

Very similarly, also the CEO of Uniper Klaus Schäfer’s voice was used in the vast majority of Uniper’s case-related external communication. However, also the CFO Christopher Delbrück often joined in Schäfer’s comments, though not quite always. Also, the collective voice of the Supervisory Board of Uniper, led by the Chairman Dr. Bernhard Reutersberg, was present in some of the material, however this was partly due to the regulatory aspects related to the takeover offer. Also in Uniper’s case, not all of the communication materials carried the voice of any individual or group of people. For example, one of such materials was the advertisement (U3) published in Finnish news media on 6 October, consisting simply of an image of a polluting fossil power plant, Uniper’s logo in the bottom corner and the question “Strategic partner for Fortum?” displayed in the center.

Table 6: Combined findings of the micro-level analysis of the exemplary communication texts

Date	Sample ID	Genre	Voices	Fortum's frames				Uniper's frames		
				"For a cleaner world"	"Strong financial rationale"	"A powerful combination to drive European energy transition"	"No forced redundancies or relocation of Uniper's corporate seat"	"The offer is economically unattractive"	"Fortum does not offer an appreciable strategic benefit for Uniper"	"Key questions on the future of Uniper remain unanswered"
20 Sep 2017	F5	SER	President and CEO	X	X	X	X			
20 Sep 2017	U1	Press release	CEO						X	
26 Sep 2017	U2	Promotional video	Uniper's employees							X
6 Oct 2017	U3	Advertisement	-						X	
26 Oct 2017	F11	Interview	President and CEO	X	X	X	X			
1 Nov 2017	U4	Advertisement	CEO					X	X	
1 Nov 2017	F12	Video comment	President and CEO	X	X	X	X			
7 Nov 2017	F18	Video comment	President and CEO		X	X	X			
21 Nov 2017	U6	Interview	CEO					X	X	X
21 Nov 2017	U8	Press release	Chairman of Supervisory Board, CEO, CFO					X	X	X
21 Nov 2017	F20	Written comment	President and CEO				X			
21 Nov 2017	F21	Promotional video	-	X		X				

As to the question appearing in both RQ 1.1 and RQ 1.2 about whether the messages sent by the case company or “other actors” are informative, educational or dialogic, the answer is not straightforward, but it gives a good idea about how the situation developed during the case, and it is also an interesting lens through which the case can be scrutinized. After the in-depth analysis of all the communication material, some interpretations could be made regarding this matter. First, if we exclude annual investor events, such as Capital Market Days and Annual General Meetings that are commonly dialogic by nature, it could be seen that neither Fortum or Uniper was used to engaging in much more than informative communication with the external audiences. This involved typical one-way communication from inside to the outside and taking a proactive stance while at it. Good examples are, for instance, Fortum’s stock exchange releases and press releases regarding other M&A cases – Fortum publicly announces what is happening, and gives some reasoning based on its strategy. That’s all. This could be extended to pretty much any investor relations texts and PR material, too – also on Uniper’s side.

When Fortum first publicly announced its intention to acquire a major stake in Uniper on 20 September 2017, the SER was partly informative, and partly educational, as clearly Fortum attempted to explain to the external audiences what their intentions were and by doing so, educate the publics to have them reach the same, rational risk perceptions that Fortum had regarding the case. However, the nature of the whole M&A case changed a

moment after, when Uniper published a short press release stating that the management of Uniper considers the offer hostile. This sits well in the very nature of risk communication, as for example it is inherently preliminary (as opposed to crisis communication, see e.g. Coombs, 2014; Coombs & Holladay, 2006), and involves varying perceptions of risk from the direction of the public and the organization itself, too.

Both sides published more material as the case progressed, some of the texts being informative online ads promoting the company's ways, some of the texts being SERs updating the situation with the tender offer, and some of the texts being anything else in between, such as press releases and interviews. Towards the climax of the case, the ending of the initial accept period during which E.ON had agreed to tender its Uniper stake into Fortum's hands, a change in the strategic nature of the communication texts was visible, though. An increasing proportion of the communication by the two companies now appeared as dialogical, as in the two CEOs arguing publicly who is right and who was wrong. This culminated especially in the discursive struggle over the debate whether Fortum acquiring Uniper would mean a significant loss of jobs at Uniper (Uniper's claim), or the prevalence of the status quo (Fortum's claim).

4.3 Pursuit of legitimacy – the macro-level societal analysis

This subchapter contains the macro-level societal analysis of the research material. In short, in this part the findings of the micro-level analysis are reflected to broader social context that comprises the setting of this case study. More detailed information regarding the research method can be found in subchapter 3.1. The different aspects of this societal context are outlined one by one and, at the same time, constantly mirrored to the findings of the in-depth micro-level analysis of this case study. Again, as a common practice in studies using critical discourse analysis (Fairclough, 2003), this analysis process is illustrated to the reader with a closer analysis of a few selected text samples cherry-picked from the comprehensive research data pool that was analyzed for this case study.

It can be hypothesized that usual information about the institutionalized operational environment and its many social aspects can be derived from 1) Fortum's strategy from 2016 (Fortum, 2016) and 2) the frames used by Fortum in its deliberate communication concerning the Uniper takeover offer, since presumably Fortum's ultimate goal is to successfully engage in the M&A transaction with Uniper, which, especially after Uniper publicly criticized Fortum's intention, requires legitimizing activities by Fortum due to the

arguably controversial combination of the two businesses and the multifaceted communication case it grew into. Furthermore, since it was already established in the previous subchapter that the frames Fortum initially used in its Uniper-related communication were actually drawn upon Fortum's overall organizational strategy in the first place, it allows placing the focus solely on that strategy. This way at least the societal aspects that Fortum considered important enough to align its strategy with can be identified and further expanded on for the purpose of the macro-level analysis of this case study.

*The energy sector is changing fast, **driven by climate change**, urbanisation, more active customers, as well as new opportunities through digitalisation and fast development of energy-related technology – all global megatrends. The low energy prices, driven by depressed commodities and subsidised build-up of renewables as well as the low overall economic growth, have created **a need for the energy industry transformation**. At the same time, **the energy sector must become the leader in climate change mitigation**. (Fortum, 2016)*

As directly quoted from Fortum's strategy in place prior to the Uniper case, Fortum clearly mentions the change driven by climate change and the need for the transformation of the energy sector – these were explicitly depicted as external forces to which Fortum absolutely must adapt. Indeed, climate change does cast its shadow on the society, undoubtedly affecting the way the companies and their businesses are evaluated by the societal actors. Fortum has for long already aligned its strategy with the expectations of the societal actors regarding environmental issues, as illustrated by the 2016 strategy (Fortum, 2016) and a comment on the Paris Agreement (Fortum, 2015). Fortum has also consistently framed its recent acquisitions as pursuit of further sustainability in its operations, as for example the acquisition of Ekokem, a circular-economy company showed (Fortum, 2016). Consequently, in the case of the Uniper merger, Fortum has consistently continued framing its intentions as pro-sustainability, as illustrated by the micro-level analysis of Fortum's initial announcement of its acquisition plans (see the sample F5 in tables 4 and 6) (Fortum, 2017).

The two frames that concern the future of Uniper, especially that of its employees, are clearly at the heart of the frame dispute between Fortum and Uniper. While Fortum has, since the beginning of the case, included the frame "No forced redundancies or relocation of Uniper's corporate seat" in its case communication, similarly, Uniper has been pushing to the public its version of the issue, "Key questions on the future of Uniper remain unanswered". In other words, while Fortum says it plans no forced redundancies in Uniper

after the takeover, Uniper paints an opposite picture of the situation: Uniper might be cut into pieces so Fortum would get rid of the fossil energy production, that riddance would then be sold to Uniper's competitors and in the process many Uniper employees would lose their jobs. Keeping the uncertainty over the future of Uniper and its employees constantly salient seems like a planned course of actions on Uniper's part – especially after the press release published by ver.di on 20 September (2017), announcing the German trade union's concern over the Uniper employees after Fortum had first made its intentions public.

Likewise, as can be seen from Table 6 above, Fortum is keeping their corresponding frame equally salient throughout their communication texts. In this specific frame dispute, it is somewhat difficult to identify any advantages to one side or another, as not only the frames appear to match in salience and frequency. Either way, when the German trade union ver.di entered the rhetorical arena revolving around the case, announcing its concern over the employees at Uniper in the case the takeover offer succeeds, it brought the case under the scrutiny of even wider range of societal actors. It is worth noticing that in some European countries, such as Germany, the trade unions still possess relatively significant political bargaining power when it comes to fixing societal problems related to employees and their rights (Bispinck & Schulten, 2011). Furthermore, various different actors, such as some German politicians looking for additional votes among the working class in the next election might become interested in the M&A case, if they were not already.

Another interesting frame dispute takes place between the two opposing frames concerning the strategic rationale of the takeover, introduced by the two companies. Uniper, on one hand, repeatedly claims that its fossil energy production fleet would not be a good match with Fortum's fleet, and further questions what good is it to Fortum to buy such energy production that it would have to get rid of soon anyway, since the renewables are coming and for example Germany has decided to ban coal in energy production, probably soon joined by many other countries. Fortum, on the other hand, claims the opposite by stating that the two companies would make a powerful combination to drive the energy transition towards renewables in Europe. In this sense, both companies have justified their use of the frames for and against the strategic rationale of the takeover attempt.

What is even more interesting regarding this specific frame, is that it might actually have deeper roots than initially realized: in the 2016 Uniper CEO letter (published in March 2017), the Uniper CEO Klaus Schäfer stated that also Uniper plays an important role in the European transition of the energy sector towards more sustainable energy production,

providing a flexible and secure supply of energy during the transition, for those times “when the wind isn't blowing and the sun isn't shining” (see the quote below).

The energy transition that everyone – including Uniper – wants will only succeed through a combination of conventional and renewable energy providers. As a pioneer in the energy transition, Uniper is ensuring that power will continue to flow even when the wind isn't blowing and the sun isn't shining, and that gas remains available for industry and private households.

Klaus Schäfer, the CEO of Uniper, in the Uniper CEO Letter 2016 published on 9 March 2017 (Uniper, 2017).

However, since the case publicly kickstarted on 20 September 2017 (approximately six months after Uniper had published its annual report), only Fortum appears to have employed this specific frame in its communication anymore (see the two quotes below). Thus, a bold suggestion can be made: Fortum “hijacked” Uniper’s original frame and now uses it against Uniper. This could be interpreted as a proof of Fortum improvising its deliberate risk communication strategy already “before the storm” – before the risk of Uniper’s possible counterstrike realized. Motives can only be assumed, but perhaps Fortum adapted Uniper’s frame simply because it makes well sense – or because Fortum tried to avoid the possible confrontation between the two companies by expressing that they both agree on the future direction. The confrontation became reality, though, and paradoxically, now Uniper, led by Schäfer himself, tries to undermine the rationale of the frame – the frame it initially came up with. In this way, Fortum efficiently delegitimizes Uniper’s delegitimizing argument of the company being an undesirable partner to Fortum.

Uniper's stated role as the provider of security of supply would be an excellent match with Fortum's ambition to accelerate the energy transition with increasing renewable generation and innovative solutions. Both are needed to make the change happen and each plays a crucial part as Europe transitions from a conventional to a cleaner and more secure energy future.

Fortum’s President and CEO Pekka Lundmark on 20 September 2017 (Fortum, 2017).

It is a fact that the wind does not always blow and the sun does not always shine, and in those parts of the world ... large European markets like Germany, for example, that don't have enough hydropower, the importance of gas in providing security of supply will be extremely important.

Fortum’s President and CEO Pekka Lundmark on 5 October 2017 (CNBC, 2017).

5 Discussion and conclusions

In this final chapter, the main findings of the research are discussed and reflected to the theoretical framework in Chapter 2. The objective of this case study was to find further evidence on how, if at all, the looming uncertainty with characteristics of risk and crisis, affects the deliberate change communication strategy of an organization that is currently going through the very change the strategy had initially been crafted for.

In further detail, in order to see if the case company adapted its deliberate change communication strategy in accordance to the peculiarities of the case at hand, a critical discourse analysis was conducted on a wide range of communication materials provided by the case company Fortum and its M&A target Uniper. In practice, the focus was on tracking the development of the selected micro-level textual elements (frames, voices, genres) throughout the communication texts. Also, it was analyzed which roles (informative, educational or dialogic) were adopted by the case company in its communication texts and whether those roles changed as the case progressed. Finally, the deliberate change communication strategy of the case company, and any identified adoptions to it, were reflected to the broader macro-level societal context in order to further realize the strategic nature of risk communication, and how both investor relations and media relations functions are essential in crafting the communication strategy as an ongoing process.

After answering to the research questions in a careful interplay between the established theoretical framework and the results of the analysis, the study will be wrapped up by providing the reader with a brief synopsis of the contribution, practical implications and limitations of the study, as well as the suggestions for further research.

5.1 Research summary

To comprehend the full extent of the change communication strategy of the case company, this case study first placed its focus on the overall organizational strategy of the company (Fortum, 2016) – the strategy with which all corporate communication should be aligned (Argenti et al., 2005). The hypothesis here is, that any improvisation in the change communication strategy that this case study can identify, should be within the directions given by the overall strategy of the organization. Indeed, the 2016 strategy of Fortum (Fortum, 2016) made clear that Fortum had taken a proactive stance towards the societal concerns over the climate change: the company stressed how their goals included to

proactively drive the industry transformation and the change towards more sustainable energy generation.

The strategy also mentioned investing in renewables as one of the four strategic cornerstones of the company. While Uniper has a considerable amount of water and nuclear power plants in addition to its large fleet of fossil power plants (please refer to the case company information in subchapter 1.2), it can be argued whether acquiring Uniper would be within the strategic outlines Fortum had drawn. This was, indeed, one of the arguments used by Uniper in its effort to make Fortum call off the agreement with E.ON and convince the shareholders of both Fortum and Uniper of to decide against the M&A transaction. However, Fortum consistently continued framing it as in accordance to the strategy, stating that also flexible and secure power generation, such as Uniper's gas power plants, were also needed in the European energy transformation – this was actually a significant frame dispute between the two companies in the public.

Following the methods described in the beginning of Chapter 5, this case study indeed succeeded to find evidence of improvisation in the risk communication strategy of the case company Fortum. Based on Fortum's 2016 strategy, and the analysis of M&A-related communication material prior to the Uniper case, a good picture of the deliberate change communication strategy of Fortum could be drawn: first, specific frames that kept the strategic intention clear appeared throughout all texts could be spotted. Second, a pattern could be identified for the use of voices in the texts – texts announcing small M&A's and other investments, insignificant to the company share price, used voices such as operational managers', but not the CEO's (see e.g. Fortum's press release about the acquisition of Info24 on 12 April 2016, whereas larger, clearly significant transactions used the CEO's voice (see e.g. Fortum's SER about the acquisition of Ekokem on 27 May 2016).

This agrees with the results of the analysis, showing that during the case there was indeed no improvisation visible in terms of these aforementioned three frames and voices that were identified as deliberate parts of the change communication strategy. It is very logical, though – it shows orderliness in the company's actions, and casts aside any doubts of the actions being just random, which would be very alarming from the perspective of the shareholders of the company, among other stakeholders.

However, a fourth frame, concerning the uncertain future of Uniper and its employees, appeared in the very first SER Fortum had published on 20 September 2017 (Fortum, 2017) regarding the acquisition of Uniper. This was a clear sign of improvisation in regard to the deliberate risk communication strategy of Fortum, a new frame added to the communication

texts even before the opposing side, Uniper, had publicly used it as an argument against Fortum's plan to take over Uniper.

Furthermore, a change was also apparent in the roles that Fortum's case-related communication took during the case: while in the beginning of the Uniper case – and in the previous M&A cases that were not questioned in public – the communication texts were mostly informative, especially towards the end the communication became more and more dialogic, and appeared as direct and timely responses to something that Uniper had publicly stated just a moment ago. A good example of this is the full-page advertisement on the print versions of many large Finnish general and business news media, signed by the Uniper CEO Klaus Schäfer and published on 1 November 2017 (see Appendix A: "Avoim kirje Fortumin osakkeenomistajille"), targeting Fortum's shareholders to reason against the acquisition – later on the very same day, the Fortum President and CEO Pekka Lundmark published a video comment, addressing Fortum's shareholders and commenting on Uniper's advertisement.

In order to illustrate the complex dynamics and the many changing factors, "drivers of improvisation" if you may, that all play their part in the ongoing process of shaping the organization's risk communication strategy from deliberate to emergent through adaption to changes in the external environment, this author introduces the following new model:

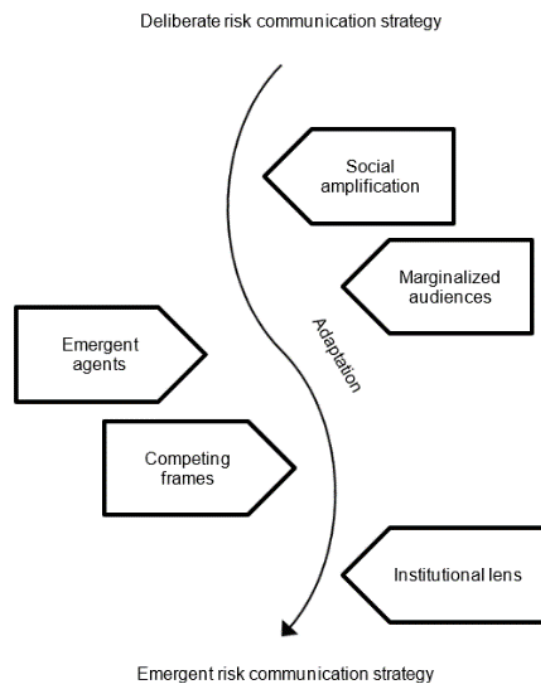


Figure 11. Drivers of improvisation in strategic risk communication - the new model for deliberate, adaptive and emergent risk communication

As can be interpreted from the model, the deliberate risk communication strategy struggles to prevail, and is eventually forced to adapt to the many “pokes” coming from the external environment. The change drivers included in the model are those identified essential in this specific case study. This new model was crafted on the basis of the theoretical foundations laid in the literature review of this study, scrutinized in detail in Chapter 2, and the results of the analysis of the Fortum – Uniper case. For example, in this case, Uniper acted as an emergent agent, adopting the voice of a marginalized audience, Uniper’s employees who were unsure of their future, in addition to its own (Heath, 2010). This amplified the marginalized audience’s voice, and also gave Uniper’s claims against the M&A more legitimacy.

More struggle – in Fortum’s point of view – were caused by competing frames and the effects of social amplification (R. E. Kasperson et al., 1988; R. E. Kasperson, 1992; J. X. Kasperson et al., 2003), which are difficult to see beforehand. Also, the societal norms affected how legitimate or delegitimate the communication was understood among different societal actors (see e.g. Suchman, 1995). Collectively, these above-mentioned aspects were all considered in this case study, and named as “drivers of improvisation” in the context of strategic risk communication, eventually forcing the organization to make adaptations to its deliberate risk communication strategy. Needless to say, this model does not include all the drivers of improvisation, merely those identified in this specific case study. More about this issue is explained in the suggestions for future research in subchapter 5.4.

Consequently, in reference to the theoretical framework of this study and the results of the analysis, a new conceptualization for the contemporary risk communication can be interpreted: risk communication should be viewed as a function of strategic corporate communication, concerning two phases out of the three defined by the predominant research on crisis communication – “pre-crisis” and “crisis” phases (see e.g. Coombs T. W., 2014; Coombs & Holladay, 2006). In other words, strategic risk communication should be seen as including all those communicational activities that take place not only when the risk has realized and the events are currently unfolding, but also prior to the realization of the risk.

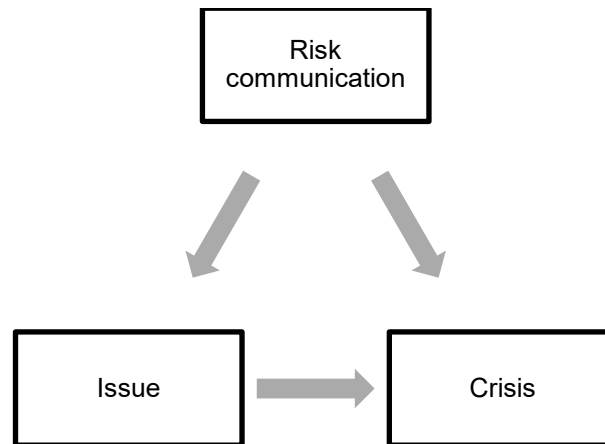


Figure 12. Risk communication includes two phases: scanning the external environment to identify weak signals of potential issues that can develop into crisis prior to the realization of the risk, and communicating the risk to the external stakeholders through a univocal voice and messages that are aligned with the overall organizational strategy.

As stressed by Raupp (2015), the strategic nature of risk communication becomes apparent in its purpose to scan and monitor the external environment for any weak signals and issues in order to identify possible risks that could threaten the organization in some way. If the risk communication function successfully identifies an issue through scanning the organization's external environment, and manages to adapt to it accordingly, it should appear as lower intensity of the case at hand, and increased control the organization manages to retain over the risk issue, as was visible in this specific case study – while things certainly did not go as smoothly as Fortum without a doubt had hoped for, still the company managed to appear as in control throughout the case, based on the coherent and univocal use of frames and voices in its communication texts concerning the case.

The boundary-spanning role of risk communication, as suggested and described by Raupp (2015), became rather clear during the analysis phase of this case. First, to scan the external environment during the passive phase of risk communication, the co-operation of IR and PR functions is required. As this case study showcased, it is beneficial to the organization to stay well aware of its external environment in order to make useful adaptations to its deliberate risk communication strategy. To accomplish this, the organization will need its IR function to constantly stay tuned for the concerns and events within the investor community, while at the same time its PR function should make sure that nothing potentially harmful towards the company goes unnoticed in the media. Based on the joint effort of the investor relations and media relations functions, the organization is then able to improvise and craft the adequate response to the risk at hand.

This applies to the phase when the risk is already unfolding, as well – for example, in this case study, it became apparent that the media relations function continuously scanned the media, and identified topics for the CEO to comment on in the company's messages to its stakeholders such as the shareholders. It also seems interpretable that the CEO was in charge of these communication efforts altogether, thus ensuring the co-operation between the two functions and communicating univocal, trustworthy messages outside the organization (Chandler, 2014). Perhaps, in the end, the co-operation between the investor relations and media relations functions is not that far-fetched, since not even that long ago they used to be just one function (see e.g. Laskin, 2017; Laskin, 2010).

Another major observation that could be made based on the established theoretical framework and the analysis of this case study was the clear significance of the macro-level environment of the organization to the success of the risk communication strategy of the organization. Consideration of the highly institutionalized operational environment of the European Union, where the case Fortum – Uniper took place, was deemed crucial in this case study, since in the end, the effectiveness of the legitimizing and delegitimizing activities of the organization ultimately come down to the question whether the actors within the broader societal context – for example the investor community, shareholders of both companies, media, and governments – trust the organization and what it says in its messages. (see e.g. Chandler, 2014; Sandhu, 2009; Suchman, 1995)

The European Union is generally recognized as a very regulatory business environment. For example, concerning the heavily polluting industries such as the energy sector, the pro-activity of the EU in the fight against the climate change becomes extremely significant. For example, as per the Paris Agreement, ratified by the EU (European Commission, 2016), new regulations are being imposed on the energy industry in regard to using fossil fuels in energy generation, and in addition, a European-wide ban on coal as fuel is being increasingly discussed in the public. Until the EU reaches a binding agreement regarding the actions and schedules regarding environmental issues, it remains as a source of uncertainty, inspiring various risk perceptions of different intensity among the many stakeholders of the companies operating within the energy sector.

However, this is when the organizational strategy steps in. The EU can be seen as a driver of change, especially from the point of view of the energy industry, and by aligning the organizational strategy with the ambitions of the EU and the societal actors within, the company might just earn the last decisive drops of legitimacy in its endeavor to justify a strategic change, such as an M&A case. If the organization takes a proactive stance towards

the societally accepted norms, such as tackling the climate change in this case, it provides the organization with a solid strategic backbone for its operation within the macro-level environment, and a strong legitimizing argument in case of any struggle for legitimacy between the organization and an emergent agent that wishes to challenge the strategic rationale of the organization's actions.

As an illustrative example of the importance of the societal context and adaption to it in consideration of this case, Fortum had clearly scanned the macro-level environment, especially in Germany, before engaging in the risk communication activities related to the Uniper case. Based on the scanning activities as part of the organization's risk communication function, Fortum had clearly identified the sensitivity of the case from the point of Uniper's employees who would have to dwell in uncertainty for the duration of the M&A process – Fortum had added a new frame, “no forced redundancies or relocation of the corporate seat”, in its case-related risk communication right from the beginning on 20 September 2017 when it first announced its intention to acquire a major stake in Uniper.

Referring to the various above-mentioned arguments for the extremely strategic nature of risk communication, and building on Argenti et al.'s (2005) “strategic communication imperative”, according to which all organizational communication should be aligned with the overall strategy of the organization to grant the organization an integrated, univocal voice, and based on achieving long-term goals instead of short-term, it is in the best interests of this thesis to underline that their view applies especially well to the case of risk communication. Therefore, this thesis hopes to leave a short statement in the minds of the readers as one of the key takeaways of the case study: strategic risk communication is an imperative.

5.2 Contribution and practical implications

This case study contributes to the existing literature in several ways. First, the research further elaborates the dynamics of legitimacy-building through means of risk communication in an M&A case between two international listed companies, when the acquiree openly declares the takeover attempt as hostile. Second, through empirical critical analysis, it also demonstrates the increasingly important skill of improvising in risk communication in consideration of the social context, the overall organizational strategy, possibly contesting frames, and the degree to which such dramatic events as the takeover considered hostile are characterized by uncertainty and risks.

This study complements the existing communication management literature, and presents risk communication more tightly as a branch under the strategic communication umbrella, and as an important part of the strategic management function of an organization. In broader terms, this case study qualifies as an in-depth empirical analysis of a complex merger process that took place as part of the ongoing consolidation of the European power generation field and industry transformation towards a cleaner world.

This case study also helps, on its own part, establishing more clarity on the issue raised by Ditlevsen et al. (2013): by incorporating an integrated strategic approach to the analysis of the communication texts published by Fortum in its effort to legitimize the M&A transaction and retain its external stakeholders' trust, this case study sheds more light on one of the aspects to the corporate reporting literature. This study provides insight of the way an international listed company employs integrated strategic approach to corporate communications in order to gain legitimacy to successfully carry out an M&A in the highly institutionalized context of the EU.

With paramount importance, this case study highlights the existence of the drivers of improvisation and the complex dynamics involved in the process, all of which the risk communication professionals should make sure to become familiar with in order to increase the impact of the risk communication activities of their organization. Also, it is further proven and stressed that effective strategic risk communication activities comprise of two rather self-explanatory phases, the "pre-crisis" and "crisis" phases (for definitions, see e.g. Coombs T. W., 2014; Coombs & Holladay, 2006). In other words, strategic risk communication includes not only the communication activities after the risk has realized, but also the prior scanning of the external environment for identifying any potential risk signals and adapting the activities accordingly. At the same time, the merit of this case study is to remind the professional risk communicators to always keep in mind the institutional context and align the communication strategy and the related activities with it.

5.3 Limitations of the study

Undeniably, over the past years risk communication as a field has experienced a clear increase in research, but not so much from the perspective of improvisation and agility after the risk has realized. This case study sets focus on the long-term communication activities of the case company, and how the case company might be forced to improvise in its risk communication in a sudden and possibly unexpected turn of events.

It is an unfortunate yet common assumption that case studies, especially the qualitative ones, would somehow be very limited in terms of the generalizability of their results, and by employing qualitative analytical methods in a case study would straightforward and automatically somehow undermine the external validity of the research. Quite on the contrary, actually, the more modern academia acknowledges that what truly matters, is the transferability of the results of the qualitative case study (Kakkuri-Knuuttila & Heinlahti, 2006).

Keeping this in mind, and in order to guarantee the transferability of this research, the historical development of the energy sector and the conflicts within are described in detail in subchapter 1.2 through placing in the limelight a similar but earlier case involving Fortum: the divestment of Fortum's power distribution network in Finland and the following media storm. A study of this historical case could undoubtedly benefit from transferring the valuable insight of the social mechanisms, power relations, and their combined effects that constitute the energy sector characterized with controversies between different stakeholders – which thus demonstrates the transferability of this research.

However, transferability is not a matter of mere generalization of the research results, stating that similar cases would always result the same way, rather, it establishes a fact that sometimes, in similar setting, other cases might proceed in similar fashion (Kakkuri-Knuuttila & Heinlahti, 2006). Naturally, it ultimately is up to the reader to determine the applicability of the applied methods and obtained results of this case study to other cases. Nevertheless, as established in the paragraphs above, transferability significantly adds to the trustworthiness of a qualitative case study, and it must not be overlooked. The theoretical approach used in this case study ensures that the results are indeed transferable to other cases.

Finally, due to the relative inexperience of the researcher, it is possible that some level of variance exists between the interpretations made in this research and those made by someone else with more experience and insight into the field of professional IR and PR communications. An attempt to tackle this issue was made in subchapter 3.3, however, in the end it is always up to the reader to evaluate the overall trustworthiness of a qualitative case study.

5.4 Suggestions for future research

The strategic nature of risk communication and the level of improvisation it calls for, still remain as a rather emerging area of research within the field of strategic communication.

Hopefully, this study managed to pave the way and give ideas of direction for future research that would further illustrate risk communication as a strategic management function.

Referring to the new model for deliberate, adaptive and emergent risk communication strategy (see Figure 11) introduced by the author himself, based on the in-depth analysis and consideration of the research data and literature review put together for this case study, it is safe to say that the model is yet far from being completed – in fact, it was not even attempted at this early point. This marks merely the starting point for developing the model farther in the pursuit of a greater understanding of the many dynamic processes that give shape to the now-emergent change communication strategy, previously considered plainly a deliberate plan. Only a handful of drivers of change that called for increased improvisation were considered in this very first version of the model, for those drivers appeared the most salient in the context of this specific case. Surely, more such drivers of change, or “drivers of improvisation” as they could also be more specifically referred to, can be identified based on other cases, and added to complement this model. Therefore, this model should be considered a starting point for this line of future research within the field of risk communication. Perhaps, the model could even be applied to other types of communication? However, that is something for future research to determine.

As another opening for possible future research, the phenomenon represented by the case of this study could be considered from the perspective of Badham’s (2018) work on the four roles that media possesses in organizational legitimation. In this case study, media’s role was simply scoped as a public arena (Badham, 2018) where the legitimizing and delegitimizing struggles between powerful actors take place. While this is correct, of course, it still offers a very narrow view of what everything media could account for in a case such as the one between Fortum and Uniper. This suggestion for future research is further motivated by the acknowledgment of the many opportunities and threats brought about by the contemporary digital age that is continuously given shape by the rapid technological advance (Eriksson, 2014; Breakenridge, 2008). This results in, for example, new actors being able to join the rhetorical arena of the case and keeping specific issues salient in the public (Frandsen & Johansen, 2010) In light of all this, it would be extremely fascinating to more thoroughly study the many roles of media in the context of this case, however, it is a whole topic of its own for future research.

Finally, by comparing the progression of communication activities by the two sides in this case study with the historical development of the IR profession, as outlined by Laskin (2017; 2010; 2008), a curious observation can be made: it does not seem to fit too well any

of the three “eras” (“Communication Era”, practiced by PR professionals, was characterized by press agency and the purpose of promotion and disclosure; “Financial Era”, practiced by finance professionals, was characterized by two-way asymmetrical communication and the purpose of high valuation of the company securities; the current, “Synergy Era”, practiced by managers with knowledge of both IR and PR, is characterized by two-way symmetrical communication and the purpose of fair valuation). In this case, when the CEOs of the two organizations communicate with each other practically only via mass media, through discretionary texts of IR and PR, which one of these eras does it belong to? Furthermore, the side resisting the M&A takes a considerably more asymmetric approach to this “two-way” communication, while the other side, supporting the M&A, appears much more conciliatory in its messages. Could this hint of the coming of a new or extended old definition? If nothing more, cases such as this show that definitions, no matter how well justified and constructed, seldom are all-compassing. Either way, drawing the ultimate conclusions regarding this issue is left up to the personal judgment of those academically more skilled in the field of investor relations.

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Appendix A: ”Avoin kirje Fortumin osakkeenomistajille”

A 20 HELSINGIN SANOMAT KESKIVIHKONA 1.11.2017

MAINOS



Hyvä Fortumin osakkeenomistaja, 1.11.2017

Fortum ilmoitti 26.9.2017 aikomuksestaan tehdä ostotarjous Uniperin kaikille osakkeenomistajille 22 euron osakekohtaisella hinnalla.

Me Uniperissa koemme olevamme vastuussa siitä, että Fortumin osakkeenomistajat ovat tietoisia mahdollisen kaupan seurauksista. Haluamme siksi nostaa esiin joitakin kysymyksiä:

Oletko tietoinen siitä, että ...

- ... Uniperin toiminnot ovat varsin rajallisesti yhteneväisiä Fortumin kanssa (itse asiassa vain Venäjällä ja Ruotsissa), joten kauppa muuttaisi olennaisesti Fortumin tulevaisuuden liiketoimintaa?
- ... Uniperin etupäässä fossiilinen tuotanto kaasu- ja hiilivoimalaitoksineen kasvattaisi Fortumin hiilijalanjälkeä ja olisi merkittävästi Suomen päästötavoitteiden vastainen?
- ... Uniperin suurimittainen maailmanlaajuinen trading-liiketoiminta energialla, kaasulla, LNG:llä ja hiilellä muuttaisi Fortumin riskialttiutta?
- ... Fortum sulki vielä hiljattain pois mahdollisuuden ”isoista järjestelyistä” Venäjällä mutta on nyt tekemässä juuri sellaista ottamalla haltuun Uniperin?
- ... Uniperin kolme suurinta käynnissä olevaa investointia ovat 1 100 megawatin hiilivoimalaitos Saksassa, 800 megawatin ruskohiilivoimalaitos Venäjällä ja Nord Stream 2 -projektin rahoittaminen, joita Fortum jatkossa tukisi?
- ... Fortum mitä ilmeisimmin koettelee taloudellista kestävyyskykyään yrittäessään jopa yli kahdeksan miljardin euron yritysvaltausta, mistä voi seurata vaikutuksia sekä yhtiön luottoluokitukseen että kasvumahdollisuuksiin?
- ... Fortum mahdollisesti tarvitsee osakepääoman korotuksen jälleenrahoitusta varten, mikä voisi johtaa veronmaksajien rahojen käyttämiseen vihamielisen yritysvaltauksen rahoittamiseen toisessa EU-maassa?
- ... Fortum on tekemässä tätä suurta yrityskauppaa ilman due diligence -prosessia, pyytämättä Uniperin johdon tukea ja ilman omaa tietoaan suuresta osasta Uniperin liiketoimintaa, mikä aiheuttaa selviä riskejä Fortumin osakkeenomistajille?
- ... Fortum aiheuttaa erityisesti pääomistajalleen Suomen valtiolle mahdollista mainevahinkoa keskeisillä markkinoilla kuten Saksassa, Ruotsissa ja Venäjällä, mikäli kauppa pidetään avaininfrastruktuurin vihamielisenä valtauksena?

Haluan suositella huolellista pohdintaa mahdollisen kaupan seurauksista Uniperille, Fortumille ja viime kädessä sinulle Fortumin osakkeenomistajana.

Kaikissa Uniperin liiketoimintaa koskevissa kysymyksissä voit olla suoraan yhteydessä englanniksi osoitteeseen info@uniper.energy.

Ystävällisin terveisin

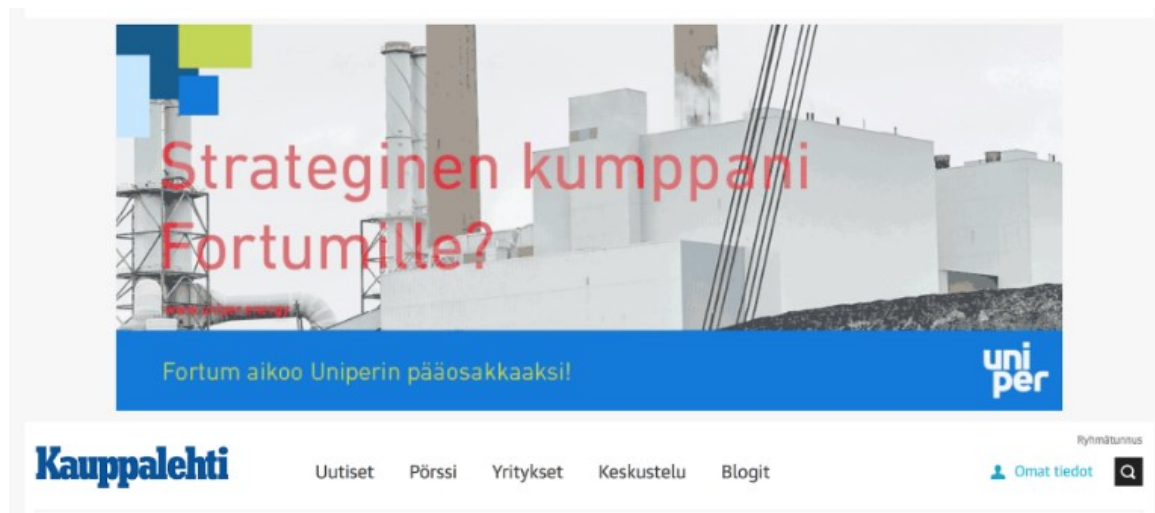


Klaus Schäfer
Uniper SE:n toimitusjohtaja

MAINOS

“Open letter to Fortum’s shareholders”. An advertisement by Uniper in the print version of Helsingin Sanomat, a Finnish general newspaper on 1 November 2017.

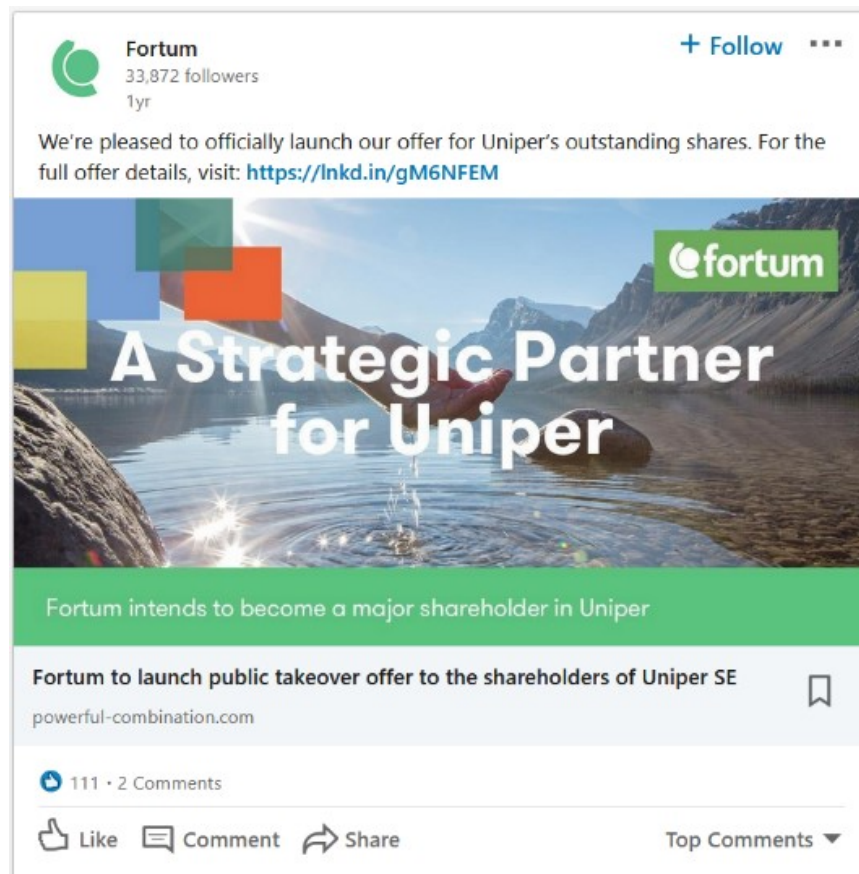
Appendix B: "Strateginen kumppani Fortumille"



An advertisement by Uniper in the online version of Kauppalehti, a Finnish business newspaper on 6 October 2017.



Uniper's online advertisement. Publishing date is unknown, however by latest on 16 October 2017.



Update on Fortum's feed on LinkedIn on 7 November 2017.


Appendix C: Vattenfall's international homepage

VATTENFALL

Who we areWhat we doInvestorsPress and mediaCareers

Fossil free living within one generation

▶ See full video




VATTENFALL


Vattenfall is a leading European energy company with approximately 20,000 employees. For more than 100 years we have electrified industries, supplied energy to people's homes and modernised our way of living. We now want to make fossil-free living possible within one generation.

Vattenfall in brief


Our road to fossil freedom



InHouse
A new way for properties to produce their own renewable energy.



InCharge
A network of charging stations to accelerate the transition to electric cars.



HYBRIT
A new means of steel production that emits water rather than carbon dioxide.

CO₂ emissions

CO₂ roadmap

Vattenfall's international homepage at <https://group.vattenfall.com/> as of 31 May 2019